

OFFICE OF FISCAL ANALYSIS

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sSB-894

AN ACT CONCERNING THE MANUFACTURE, SALE AND DISTRIBUTION OF ALCOHOL-INFUSED CONFECTIONS.

As Amended by Senate "A" (LCO 8319)

House Calendar No.: 494

Senate Calendar No.: 122

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
Department of Revenue Services	Various - Potential Revenue Gain	Up to 75,000	Up to 75,000

Note: Various=Various

Municipal Impact: None

Explanation

The bill results in a potential revenue gain of up to \$75,000 annually by allowing alcoholic liquor permittees who are authorized to serve alcohol for on-premises consumption to use an automated machine to serve beer, certain cider, and wine.

There is a potential revenue gain in sales¹ and alcoholic beverages taxes to the extent that: (1) one or more permittees install automated machines² and (2) there is an increase in alcohol consumption rather than a shift from currently allowed transactions for alcohol.

For illustrative purposes, if there is a 0.1% increase in alcohol

¹ Current law requires a diversion of a portion of the sales tax generated into (1) the Special Transportation Fund and (2) the Municipal Revenue Sharing Account beginning in FY 22. The general sales and use tax rate, from which the diversion occurs, remains at 6.35%.

² Such machines range between \$5,000 and \$25,000 depending on the size and type.

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consumption due to the availability of automated machines, there would be a revenue increase of \$75,000 annually in sales and alcoholic beverages taxes.

The bill also makes various changes to the liquor control act statutes resulting in no fiscal impact to the state.

Senate "A" allows alcoholic liquor permittees who are authorized to serve alcohol for on-premises consumption to use an automated machine to serve beer, certain cider, and wine resulting in the fiscal impact described above.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.