

## Fiscal Estimate - 2015 Session

☒ Original
 ☐ Updated
 ☐ Corrected
 ☐ Supplemental

<b>LRB Number</b> <b>15-1866/2</b>	<b>Introduction Number</b> <b>AB-0241</b>
<b>Description</b> Tax on intoxicating liquor	
<b>Fiscal Effect</b>  <b>State:</b> <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input checked="" type="checkbox"/> No State Fiscal Effect  <input type="checkbox"/> Indeterminate  <div style="margin-left: 20px;"> <input type="checkbox"/> Increase Existing Appropriations  <input type="checkbox"/> Decrease Existing Appropriations  <input type="checkbox"/> Create New Appropriations                         </div> </div> <div style="width: 33%;"> <input type="checkbox"/> Increase Existing Revenues  <input type="checkbox"/> Decrease Existing Revenues                         <div style="margin-top: 20px;"> <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget  <div style="display: flex; justify-content: space-around;"> <input type="checkbox"/> Yes                                 <input type="checkbox"/> No                             </div> <input type="checkbox"/> Decrease Costs                         </div> </div> </div>	

**Local:**  

☐ No Local Government Costs  
☐ Indeterminate  

1. ☐ Increase Costs  

☐ Permissive
 ☐ Mandatory

 2. ☐ Decrease Costs  

☐ Permissive
 ☐ Mandatory

3. ☐ Increase Revenue  

☐ Permissive
 ☐ Mandatory

 4. ☐ Decrease Revenue  

☐ Permissive
 ☐ Mandatory

**5. Types of Local Government Units Affected**  

☐ Towns  
☐ Counties  
☐ School Districts

☐ Village  
☐ Others  
☐ WTCS Districts

☐ Cities

## Fiscal Estimate Narratives

DOR 5/29/2015

LRB Number	15-1866/2	Introduction Number	AB-0241	Estimate Type	Original
<b>Description</b>					
Tax on intoxicating liquor					

### Assumptions Used in Arriving at Fiscal Estimate

Current law imposes an occupational tax on the sale of intoxicating liquor in this state with tax liability incurred, with some exceptions, by a shipper when the liquor is shipped into this state. For intoxicating liquor produced in Wisconsin, manufacturers pay the tax when the intoxicating liquor is removed from the bonded premises of a liquor manufacturer with a federal license.

Under the bill, the liability for the tax imposed on intoxicating liquor is incurred by the following persons:

1. A shipper when intoxicating liquor is shipped into this state.
2. A person holding a Wisconsin permit when intoxicating liquor is received into this state or removed from a federal bonded premise, if it is imported directly from a foreign country into this state by a Wisconsin permittee.
3. Wisconsin winery, manufacturer, or rectifier, when intoxicating liquor is removed from a federal bonded premise, if it is produced, bottled, manufactured, or rectified in this state by a Wisconsin winery, manufacturer, or rectifier.
4. Wisconsin rectifier at the time of first sale, if the rectifier had more than 50 percent of its previous calendar year's sales of intoxicating liquor sold outside Wisconsin. The bill defines "first sale" as the first sale of finished, nonbulk, intoxicating liquor, packaged in containers suitable for sale to consumers or to retailers or other permittees.

The bill would change the payment of tax by some Wisconsin rectifiers from the time when the product is removed from the bonded premises to the time of "first sale". Under current law, the rectifiers remit tax when intoxicating liquor is removed from the federally bonded warehouse and claim a refund for the tax paid on liquor that is subsequently shipped outside of the state. The bill would effectively replace the refund for these transactions with an exemption. The fiscal effect of the bill is minimal.

The bill would require some revisions to various DOR publications and forms. These administrative costs would be minimal.

### Long-Range Fiscal Implications