

By: Jones of Dallas

H.B. No. 2480

A BILL TO BE ENTITLED

1 AN ACT

2 relating to an increase in taxes on alcoholic beverages and the
3 distribution of that increase to certain municipalities for use in
4 urban renewal projects.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Sections 201.03, 201.04, 201.42, and 203.01,
7 Alcoholic Beverage Code, are amended to read as follows:

8 Sec. 201.03. TAX ON DISTILLED SPIRITS. (a) A tax is
9 imposed on the first sale of distilled spirits at the rate of \$2.424
10 [~~\$2.40~~] per gallon.

11 (b) The minimum tax imposed on packages of distilled spirits
12 containing two ounces or less is \$0.0505 [~~five cents~~] per package.

13 (c) Should packages containing less than one-half pint but
14 more than two ounces ever be legalized in this state, the minimum
15 tax imposed on each of these packages is \$0.1232 [~~\$0.122~~].

16 Sec. 201.04. TAX ON VINOUS LIQUOR. (a) A tax is imposed on
17 the first sale of vinous liquor that does not contain over 14
18 percent of alcohol by volume at the rate of \$0.206 [~~20.4 cents~~] per
19 gallon.

20 (b) A tax is imposed on vinous liquor that contains more
21 than 14 percent of alcohol by volume at the rate of \$0.4121 [~~40.8~~
22 ~~cents~~] per gallon.

23 (c) A tax is imposed on artificially carbonated and natural
24 sparkling vinous liquor at the rate of \$0.5212 [~~51.6 cents~~] per

1 gallon.

2 Sec. 201.42. TAX ON ALE AND MALT LIQUOR. A tax is imposed on
3 the first sale of ale and malt liquor at the rate of \$0.20 [~~\$0.198~~]
4 per gallon.

5 Sec. 203.01. TAX ON BEER. A tax is imposed on the first sale
6 of beer manufactured in this state or imported into this state at
7 the rate of \$6.06 [~~six dollars~~] per barrel.

8 SECTION 2. Section 205.02(a), Alcoholic Beverage Code, as
9 amended by Chapters 28 and 31, Acts of the 68th Legislature, 2nd
10 Called Session, 1984, is reenacted and amended to read as follows:

11 (a) After allocation of funds to defray administrative
12 expenses as provided in the current departmental appropriations
13 act, receipts from the sale of tax stamps and funds derived from
14 taxes on distilled spirits, wine, beer, and ale and malt liquor
15 shall be deposited in the general revenue fund. An amount equal to
16 one percent [~~5/24ths~~] of the net revenue shall be deposited to the
17 credit of the municipal alcoholic beverage tax fund created by
18 Section 205.03. The remaining revenue [~~transferred to the~~
19 ~~available school fund, an amount equal to 1/24th of the net revenue~~
20 ~~shall be transferred to the foundation school fund, and an amount~~
21 ~~equal to three-fourths of the net revenue~~] shall be credited to the
22 general revenue fund.

23 SECTION 3. Chapter 205, Alcoholic Beverage Code, is amended
24 by adding Section 205.03 to read as follows:

25 Sec. 205.03. MUNICIPAL ALCOHOLIC BEVERAGE TAX FUND. (a)
26 The municipal alcoholic beverage tax fund is created as a trust fund
27 with the comptroller and shall be administered by the comptroller

1 as a trustee on behalf of municipalities with a population greater
2 than 250,000.

3 (b) The comptroller may distribute money allocated to the
4 municipal alcoholic beverage tax fund only:

5 (1) to a municipality with a population of more than
6 250,000; and

7 (2) to fund activities undertaken as part of an urban
8 renewal project under Chapter 374, Local Government Code.

9 (c) To receive money from the fund, the governing body of a
10 municipality with a population of more than 250,000 must submit to
11 the comptroller a written certification that the municipality
12 agrees to spend the money only for an activity described by
13 Subsection (b)(2). The comptroller shall distribute money from the
14 fund to all municipalities that submit the certification. The
15 amount each municipality receives equals the product of:

16 (1) the amount of money in the fund; and

17 (2) a fraction of which the numerator is the
18 population of the municipality and the denominator is the
19 population of all municipalities that submit the certification.

20 (d) The comptroller shall provide a form for the
21 certification required under Subsection (c) to each municipality in
22 the state with a population of more than 250,000. Each quarter, the
23 comptroller shall update the comptroller's records relating to
24 municipalities that have submitted certifications.

25 (e) The comptroller shall distribute the money in the fund
26 to qualified municipalities quarterly.

27 (f) Interest earned on the fund shall be credited to the

1 fund.

2 SECTION 4. (a) This Act takes effect October 1, 2003.

3 (b) The comptroller shall make the first distribution of
4 money from the municipal alcoholic beverage tax fund under Section
5 205.03, Alcoholic Beverage Code, as added by this Act, on or after
6 January 1, 2004.