

BILL ANALYSIS

S.B. 799
By: Nelson
Licensing & Administrative Procedures
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, a tax is imposed on the first sale of wine at certain rates depending on the wine's percent of alcohol by volume. In practice, however, the sale of wine from a winery to another winery or to a wholesaler of alcoholic beverages is not included as a first sale for purposes of the required tax. S.B. 799 seeks to codify this practice by specifying that the first sale, as defined for purposes of taxation, does not include the first sale by a winery to another winery or to a wholesaler.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 799 amends the Alcoholic Beverage Code to specify that the term "first sale," as defined for purposes of provisions of law relating to taxes on certain liquor, does not include the first sale by the holder of a winery permit to another holder of a winery permit or the holder of a wholesaler's permit.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.