

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 14, 2011

TO: Honorable John Carona, Chair, Senate Committee on Business & Commerce

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: SB576 by Eltife (Relating to reports filed with the comptroller regarding certain alcoholic beverage sales.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB576, As Introduced: a positive impact of \$4,388,000 through the biennium ending August 31, 2013.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2012	\$1,200,000
2013	\$3,188,000
2014	\$4,974,000
2015	\$5,173,000
2016	\$5,380,000

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/ (Loss) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/ (Loss) from <i>Counties</i>	Probable Revenue Gain/ (Loss) from <i>Cities</i>
2012	\$1,200,000	\$162,000	\$150,000
2013	\$3,188,000	\$430,000	\$398,000
2014	\$4,974,000	\$670,000	\$620,000
2015	\$5,173,000	\$697,000	\$645,000
2016	\$5,380,000	\$725,000	\$671,000

Fiscal Analysis

The bill would amend Section 151.433 of the Tax Code, regarding reports by wholesalers and distributors of beer, wine and malt liquor.

The bill would expand the list of persons required by the Comptroller's Office to file a monthly report on alcoholic beverage sales made to retailers to include a person holding a package store permit who also holds a local distributor's permit.

The bill would require wholesalers and distributors in their monthly reports for alcoholic beverage sales to retailers to also provide information on the size and brand of the products sold, and would require wholesalers and distributors of distilled spirits (i.e. liquor) to provide these monthly reports.

The bill would expand the definition of a "retailer" for purposes of this section to include the holder of a temporary and special wine and beer retailer's permit; a mixed beverage permit; a daily temporary

mixed beverage permit; and a private club registration permit.

The bill would amend Chapter 111 of the Tax Code, regarding collection procedures for state taxes, to require the Comptroller's Office to disclose information from the sales reports required under Section 151.462 of this Code (as amended by this bill).

This bill would take effect September 1, 2011.

Methodology

The Comptroller of Public Accounts (CPA) estimates the bill's provisions would increase collections from the mixed beverage tax due to an increase in the effectiveness of the audit selection process. Gains would be reflected in both revenue realized per audit and an increase in the percentage of mixed beverage audits yielding revenue. Additionally, in response to enhanced reporting requirements, there would be a revenue gain due to greater voluntary tax compliance.

Local Government Impact

Cities and counties could expect positive revenue gains. This analysis shows the estimated gains to cities and counties if they were to be appropriated their current share of total mixed beverage revenue.

Source Agencies: 304 Comptroller of Public Accounts, 458 Alcoholic Beverage Commission

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