

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION
Revision 1

April 13, 2017

TO: Honorable John Kuempel, Chair, House Committee on Licensing & Administrative Procedures

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB47** by Guillen (Relating to the status and taxation of powdered alcohol as an alcoholic beverage.), **Committee Report 1st House, Substituted**

There could be an indeterminate amount of increased liquor tax revenue deposited to the General Revenue Fund, depending on future sales volumes of powdered alcohol.

The bill would amend the Alcoholic Beverage Code to include powdered alcohol as an alcoholic beverage. The bill would also impose a tax on the sale of powdered alcohol at the rate of \$2.40 per gallon based on the amount of liquid suggested to be added by the manufacturer's packaging. The Comptroller of Public Accounts estimates that while the provisions of the bill could lead to an increase in liquor tax revenue collections, the fiscal impact on the state cannot be estimated.

It is assumed the administrative costs to implement the provisions of the bill could be absorbed within existing resources.

The bill would take effect September 1, 2017.

Local Government Impact

An offense under the provisions of the bill is a misdemeanor punishable by a fine of not less than \$100 nor more than \$1,000, confinement in jail for a term not to exceed one year, or both. Costs associated with enforcement, prosecution and confinement could likely be absorbed within existing resources. Revenue gain from fines imposed and collected is not anticipated to have a significant fiscal implication.

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

LBB Staff: UP, CL, AI, FR, KK, SD