
FISCAL TOPICS

Fiscal Services Division

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Liquor Control Trust Fund

The Alcoholic Beverages Division (ABD) is the regulatory entity for the sale and distribution of alcohol in the State of Iowa. The ABD is responsible for the enforcement of State and federal laws and regulations regarding the sale and use of alcohol products. The Liquor Control Trust Fund is administered by the Office of the State Treasurer and consists of funds from the following sources:

- Alcoholic liquor sale receipts
- Permit and license fees
- Wine tax collections
- Miscellaneous revenue

**Figure 1 — Liquor Control Trust Fund Deposits
FY 2018 — FY 2022**

Deposits	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Liquor Sales	\$ 320,049,812	\$ 339,537,641	\$ 367,284,902	\$ 415,835,178	\$ 431,426,201
License and Permit Revenue	16,613,682	18,773,557	17,676,967	19,134,834	22,552,972
Beer Tax Collections*	13,592,912	13,438,680	9,435,077	18,207,794	13,660,146
Wine Tax Collections	8,166,553	8,219,810	5,677,108	11,008,117	8,112,188
Miscellaneous Revenue	4,806,557	5,290,473	5,614,701	6,198,781	6,606,797
Total Deposits	363,229,516	385,260,161	405,688,755	470,384,704	482,358,304
Total Expenses	228,179,166	244,804,012	261,613,359	302,348,510	316,768,532
Net Revenues	\$ 135,050,350	\$ 140,456,149	\$ 144,075,396	\$ 168,036,194	\$ 165,589,772

*Beer tax collected is deposited into the State General Fund. This revenue is processed by the ABD, but is not included in the total revenue numbers for the ABD on other financial reports as the revenue is not deposited in an ABD fund.

Revenues and Division Expenses

Deposits to the Trust Fund from all sources in FY 2022 totaled \$482.4 million, an increase of \$11.9 million (2.5%) compared to FY 2021. The ABD receives an appropriation from the General Fund to cover administrative expenses. The ABD is also authorized to expend additional funds to cover expenses related to warehouse and product administration, accounting and information technology functions, building and grounds maintenance, and bottle deposit and recycle surcharge fees. Expenses in FY 2022 were \$14.4 million (4.8%) more compared to FY 2021. The remaining revenues are allocated for other uses in accordance with Iowa statute.

Allocations

Iowa Code section [123.17\(5\)](#) requires the ABD to transfer at least 7.0% of gross monthly liquor sales (or at least \$9.0 million annually) to the State General Fund. Of the General Fund transferred amount, a minimum of \$2.0 million is required to be appropriated annually to the Department of Health and Human Services (HHS) for substance abuse treatment and prevention. Iowa Code section 123.17 also requires the ABD to transfer \$2.0 million of liquor sales to the Iowa Economic Development Authority (IEDA) for

More Information

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the purpose of statewide tourism marketing and the Beer, Wine, and Spirits Promotion Board. This transfer is in addition to funds transferred via tax revenues collected from Iowa wine producers and native breweries. Iowa Code section 123.17 also requires the ABD to transfer \$1.0 million of revenue to the HHS to be distributed as grants to counties in the State operating substance abuse programs. The \$1.0 million transfer to the HHS was previously allocated from revenue generated by Sunday sales license fees; however, the adoption of [Senate File 2374](#) (Alcoholic Beverage Control Licensing Act) eliminated this license and, consequently, the revenue generated from the fees. **Figure 2** shows the allocations from the ABD revenue.

Figure 2 — Revenue Transfers

Transfer	FY 2022 Actuals
General Fund Reversion	\$ 118,800,000
Health and Human Services	30,309,617
State Aid to Cities and Counties	4,038,908
Sunday Sales Grants	914,666
Iowa Economic Development Authority	1,421,978
Total	\$ 155,485,169

State Wagering Tax Revenues

Iowa Code section 123.17 specifies that if gaming revenues are not sufficient to meet the total amount of revenues directed to be deposited in the Revenue Bonds Debt Service Fund and the Revenue Bonds Subsidy Holdback Fund, funds may be transferred from the Liquor Control Trust Fund to account for the difference. Each quarter, the Treasurer of State prepares an estimate of gaming revenues and the Liquor Control Trust Fund ending balance. To date, no moneys from the Liquor Control Trust Fund have been transferred to the Revenue Bonds Debt Service Fund.