

---

## FISCAL UPDATE Article

Fiscal Services Division

July 2, 2020



---

Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

### ALCOHOLIC BEVERAGES COMMISSION MEETING — JUNE 2020

**Meeting.** The Alcoholic Beverages Commission met on Tuesday, June 23, 2020, via teleconference.

**Business Operations Report.** The Commission received an update on business operations from Herbert Sutton, Bureau Chief of Business Operations, and Leisa Bertram, Comptroller. The Division reported a 4.5% increase in liquor sales through May 2020 compared to FY 2019, when using cash basis accounting.

**Moratorium on Can/Bottle Redemption Requirement for Retailers.** Retailers who engage in the sale of alcoholic liquor, beer, wine, carbonated beverages, and other beverages on which an Iowa beverage container deposit is made are authorized to stop accepting returns of empty beverage containers for the duration of the Governor's [Proclamation](#) issued on June 25, 2020. This suspension is expected to expire by July 25, 2020, and retailers may choose to begin accepting empty beverage containers before this date with limits on the number of containers per customer or the hours during which containers will be accepted in order to phase in the resumption of redemption.

**Liquor Sales Revenue by Month per Fiscal Year.** While April liquor sales did not meet or exceed March's rapid uptick following the declaration of the COVID-19 public health emergency, May liquor sales exceeded March's sales by nearly \$500,000, and exceeded the prior 3-year average for liquor sales during the month of May by \$2.6 million. While fewer gallons were sold in May 2020 compared to May 2019, gallon sales in May 2020 outpaced sales in May 2017 and May 2018.

**Liquor Sales Revenue per Fiscal Year**

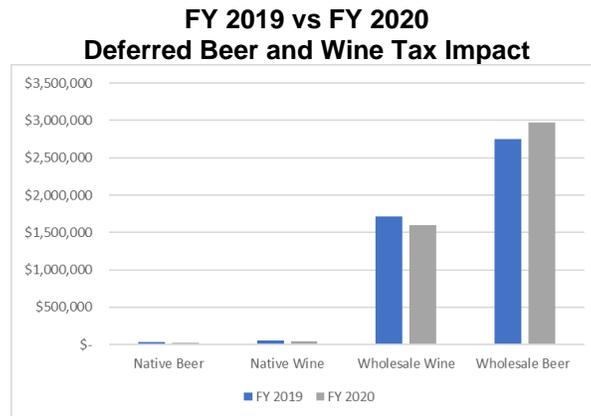
	FY 2017	FY 2018	FY 2019	FY 2020
<b>February</b>	\$ 22,804,159	\$ 22,403,643	\$ 22,588,927	\$ 25,329,997
<b>March</b>	24,588,551	23,260,973	26,952,007	31,923,179
<b>April</b>	22,551,186	27,087,806	27,928,735	28,667,426
<b>May</b>	29,483,763	28,885,362	31,010,524	32,412,321

**Temporary Deferral of Beer Barrel Tax and Wine Gallonage Tax Reporting and Remittance.**

Reporting and remittance of beer barrel tax and wine gallonage tax has been deferred for the months of February, March, April, and May 2020. Reports and remittance for these months will be due August 10, 2020. The 10.0% penalty for late filing is waived.

**Revenue Impact of Deferred Beer and Wine Tax.** Filed taxes for FY 2020 have been submitted to the Alcoholic Beverages Division (ABD) but have not been processed for payment due to tax deferment. The ABD is expected to collect approximately \$74,000 more in taxes for FY 2020 compared to the same point in time during FY 2019, primarily due to an increase in wholesale wine and beer taxes.

The graph below shows the total revenue impact of beer and wine tax deferral for the months of February, March, and April.



**Alcoholic Beverage Price Floor.** During the meeting, the ABD Commission was informed that on June 12, 2020, letters were sent to affected suppliers stating that the implementation of a new price floor will be delayed until further notice.

LSA Staff Contact: Angel A. Banks-Adams (515.281.6301) [angel.banks-adams@legis.iowa.gov](mailto:angel.banks-adams@legis.iowa.gov)

Doc ID 1138050