

# FISCAL UPDATE Article

Fiscal Services Division

November 30, 2020



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

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## ALCOHOLIC BEVERAGES COMMISSION MEETING — NOVEMBER 2020

**Meeting.** The Alcoholic Beverages Commission met on November 19, 2020.

**FY 2021 Update.** The Division reported a \$18.9 million increase (16.3%) in liquor sales revenue for the same four-month period of July through October when comparing FY 2020 to the current fiscal year, FY 2021. The largest relative increases occurred during the months of August and September. The table below shows the difference in liquor sales for this timeframe across fiscal years 2018 through FY 2021.

**Liquor Sales Revenue  
FY 2018-FY 2021, July to October**

Month	FY 2018	FY 2019	FY 2020	FY 2021	FY 2021 vs FY 2020
July	\$ 20,683,447	\$ 21,941,950	\$ 25,784,786	\$ 28,420,797	\$ 2,636,011
August	25,737,770	29,079,661	28,099,297	34,476,174	6,376,877
September	25,306,777	25,187,655	29,420,284	36,258,312	6,838,028
October	31,832,047	34,040,657	33,412,907	36,560,196	3,147,289
<b>Total</b>	<b>\$ 103,560,041</b>	<b>\$ 110,249,923</b>	<b>\$ 116,717,274</b>	<b>\$ 135,715,479</b>	<b>\$ 18,998,205</b>

A similar percentage change was observed for total revenue, which, in addition to liquor sales, includes the split case fee and bottle deposit. Orders and cases were also above FY 2020 levels, at 20.7% and 14.6%, respectively.

**Deferred and Collected Tax Revenue.** As discussed in a [previous Fiscal Update Article](#), reporting and remittance of beer barrel tax and wine gallonage tax has been deferred for the months of February through November 2020 due to the COVID-19 pandemic. The 10.0% filing penalty has also been waived. The table below indicates the fiscal impact of this tax deferral. The Division collects approximately \$22.0 million in beer and wine taxes in a typical fiscal year. In FY 2019, \$13.4 million in beer barrel tax revenue was deposited into the General Fund.

**Deferred and Collected Tax Revenue, FY 2020 and FY 2021**

	Tax Type	Amount Collected	Amount Deferred
<b>FY 2020</b>	Native Beer	\$ 22,745	\$ 29,775
	Native Wine	31,442	50,134
	Wholesale Wine	2,642,994	94,652
	Wholesale Beer	1,652,793	4,317,086
<b>Total</b>		<b>\$ 4,349,974</b>	<b>\$ 4,491,647</b>
<b>FY 2021</b>	Native Beer	\$ 11,211	\$ 22,097
	Native Wine	8,425	30,723
	Wholesale Wine	507,371	992,780
	Wholesale Beer	733,378	2,815,778
<b>Total</b>		<b>\$ 1,260,385</b>	<b>\$ 3,861,378</b>

**Deferred License Revenue.** License fees have also been deferred. In FY 2020, \$1.4 million in license fee payments (\$1.3 million from on-premises licensees) was deferred, and \$2.8 million (\$2.5 million from on-premises licensees) has been deferred to date in FY 2021.

**More Information.** Additional information is available from the LSA upon request.

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