

Fiscal Services Division
Legislative Services Agency
Fiscal Note

SF 395 - Wine Revenue, Commission (LSB 2783 SZ)
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Fiscal Note Version - New

Description

This Bill transfers five percent of the funds collected from the wine gallonage tax on wine imported into Iowa for sale at wholesale into the Grape and Wine Development Fund. The Fund will be administered by the Department of Agriculture and Land Stewardship and funds will be used for expenditures related to the growth of the Iowa grape and wine industry. The Department will coordinate expenditures with the Iowa Grape and Wine Development Commission.

Background

During the 2001 General Assembly, the Legislature passed legislation that created the Grape and Wine Development Fund to receive funds from the wine gallonage tax with maximum funding of \$75,000 per year. As the number of Iowa commercial grape growers and wine makers increase, additional funding is needed to provide technical expertise to growers and wine manufacturers.

Assumptions

1. During FY 2004, \$4.9 million was collected from the wine gallonage tax.
2. Under this Bill, the Grape and Wine Fund would receive approximately \$250,000 annually.

Fiscal Impact

The estimated fiscal impact of SF 395 is an annual deposit of \$250,000 in the Grape and Wine Development Fund for FY 2006 and each year thereafter.

Sources

Department of Agriculture and Land Stewardship
Alcoholic Beverages Division

/s/ Holly M. Lyons

April 4, 2005

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
