
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 Division 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
- Beer and wine tax collections
- Miscellaneous revenue

Liquor Control Trust Fund Deposits FY 2016 – FY 2020

Deposits	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Liquor Sales	\$ 288,908,791	\$ 305,619,127	\$ 320,049,812	\$ 339,537,641	\$ 367,284,902
License and Permit Revenue	15,608,360	15,664,468	16,613,682	18,773,557	17,676,967
Beer Tax Collections	14,231,744	13,904,082	13,592,912	13,438,680	9,435,077
Wine Tax Collections	7,648,753	8,078,043	8,166,553	8,219,810	5,677,108
Miscellaneous Revenue	4,226,128	6,115,965	4,806,557	5,290,473	5,614,701
Total Deposits	330,623,776	349,381,685	363,229,516	385,260,161	405,688,755
Total Expenses	200,367,526	219,986,581	228,179,166	244,804,012	261,613,359
Net Revenues	\$ 130,256,250	\$ 129,395,104	\$ 135,050,350	\$ 140,456,149	\$ 144,075,396

Revenues and Division Expenses

Deposits to the Trust Fund from all sources in FY 2020 totaled \$405.7 million, an increase of \$20.4 million (5.3%) compared to FY 2019. The ABD receives an appropriation from the General Fund to cover administrative expenses. The Division 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 2020 were \$16.8 million (6.7%) more compared to FY 2019. The remaining revenues are allocated for other uses in accordance with Iowa statute.

COVID-19 Beer and Wine Gallonage Tax Deferral

Beer and wine tax collections in FY 2020 were significantly lower compared to previous years due to the beer and wine gallonage tax deferral instituted as part of the [Governor's Proclamation](#) in March 2020 due to the COVID-19 pandemic. The tax deferral was retroactive to February 2020.

More Information

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Allocations

Iowa Code section [123.17](#)(5) requires that at least 7.0% of gross monthly liquor sales (or at least \$9.0 million annually) be transferred to the State General Fund. Of the General Fund transferred amount, a minimum of \$2.0 million is to be transferred annually to the Iowa Department of Public Health for substance abuse treatment and prevention. Fees paid to the ABD for liquor control licenses, wine permits, and beer permits, and fines collected from civil penalties are transferred to cities and counties issuing those licenses. Additionally, 50.0% of Sunday sales license fees are to be allocated to the Department of Public Health for grants to cities and counties operating substance abuse programs pertaining to education, prevention, referral, or posttreatment services. The table below shows the allocations from ABD revenue.

Revenue Transfers

Transfer	FY 2020 Actuals
General Fund Reversion	\$ 116,935,077
Iowa Department of Public Health	25,763,936
State Aid to Cities and Counties	3,301,218
Sunday Sales Grants	931,125
Iowa Economic Development Authority	306,369
Total	\$ 147,237,725

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.