

FILED APR 29 1971

*See House & Means 6/17, Passed 6/17*

SENATE FILE 514

By COMMITTEE ON WAYS AND MEANS

Passed Senate, Date 6-16-71 Passed House, Date 6-17-71

Vote: Ayes 29 Nays 14 Vote: Ayes 54 Nays 33

Approved June 30, 1971

## A BILL FOR

1 An Act to increase the tax on beverages containing alcohol.

2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. 514

1 Section 1. Section one hundred twenty-three point one  
2 hundred (123.100), subsection one (1), Code 1971, is amended  
3 as follows:

4 1. There is hereby imposed on every individual, partner-  
5 ship, corporation, association or club licensed to sell alco-  
6 holic beverages for consumption on the premises where sold,  
7 a special tax equivalent to ~~fifteen~~ twenty percent of the  
8 price established by the commission on all alcoholic beverages  
9 for general sale to the public. Such tax shall be paid by  
10 all licensees at the point of purchase from the state on all  
11 alcoholic beverages intended or used for resale for consumption  
12 on the premises of retail establishments. Such tax shall  
13 be in lieu of any other sales tax applied at the state store  
14 and shall be shown as a separate item on special sales slips  
15 provided by the commission for purchases by licensees.

16 Sec. 2. Section one hundred twenty-four point twenty-five  
17 (124.25), unnumbered paragraph one (1), Code 1971, is amended  
18 as follows:

19 In addition to the annual permit fee to be paid by all  
20 class "A" permittees, under the provisions of this chapter,  
21 there shall be levied and collected from such permittees on  
22 all beer manufactured for sale or sold in this state at  
23 wholesale and on all beer imported into this state for sale  
24 at wholesale and sold in this state at wholesale, a tax of  
25 ~~three four~~ and ~~seventy-two~~ thirty-four hundredths dollars  
26 for every barrel containing thirty-one gallons, and at a like  
27 rate for any other quantity or for the fractional part of  
28 a barrel. Provided, however, that no tax shall be levied  
29 or collected on beer shipped outside this state by a class  
30 "A" permittee or sold by one class "A" permittee to another  
31 class "A" permittee.

32 EXPLANATION

33 This bill increases the rate of tax on alcoholic beverages  
34 sold for consumption on the premises from 15% to 20%.

35 The bill also increases the barrel tax on beer from \$3.72

1 per 31 gallon barrel to \$4.34 per barrel.  
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## FISCAL NOTE

Date prepared May 6, 1971

Requested by Senator Shaff.

Prepared in regard to S.F. 514 - An Act to increase the tax on beveraged containing alcohol. Follllwing is the fiscal effect in dollars of the legislative proposal as required by Rule 31.

The following is the estimated additional revenue for the first 12 months following the effective date of this bill:

	<u>Additional Revenue</u>
Increasing the 15% licensee liquor tax to 20%	\$1,000,000
Increasing the barrel tax on beer from \$3.72 per 31 gallon barrel to \$4.34	<u>1,000,000</u>
Total	\$2,000,000

Source: Department of Revenue  
 Iowa Liquor Control Commission Annual  
 Report 1969-1970

Filed  
 May 7, 1971

By GERRY D. RANKIN  
 Legislative Fiscal Director

1 Amend Senate File 514 as follows:  
2 1. Page 2, by striking lines 1 through 15, inclu-  
3 sive, and renumbering the remaining section accordingly.  
4 2. Amend the title, page 1, line 1, by striking  
5 the words "beverages containing alcohol" and inserting  
6 in lieu thereof the word "beer".

Filed - *Adopted 6/16*  
May 25, 1971

By SHAFF

1 Amend Senate File 514, page 2, by inserting after  
2 line 31 the following new section:  
3 "House File 172, section one hundred thirty-seven  
4 (137), unnumbered paragraph one (1), Acts of the  
5 Sixty-fourth General Assembly, First Session, is  
6 amended as follows:  
7 In addition to the annual permit fee to be paid  
8 by all class 'A' permittees under the provisions of  
9 this Act there shall be levied and collected from such  
10 permittees on all beer manufactured for sale or sold  
11 in this state at wholesale and on all beer imported  
12 into this state for sale at wholesale and sold in this  
13 state at wholesale, a tax of three ~~four~~ and ~~seventy-two~~  
14 thirty-four hundredths dollars for every barrel contain-  
15 ing thirty-one gallons, and at a like rate for any other  
16 quantity or for the fractional part of a barrel. However,  
17 no tax shall be levied or collected on beer shipped out-  
18 side this state by a class 'A' permittee or sold by one  
19 class 'A' permittee to another class 'A' permittee."

Filed - *Adopted as amended 6/16*  
June 8, 1971

By SHAFF

1 Amend the Shaff amendment to Senate File 514, filed  
2 June 8, 1971, and appearing on page 1723 of the Senate  
3 Journal, by striking from lines 3 and 4 the words and  
4 figure "one hundred thirty-seven (137)" and inserting  
5 in lieu thereof the words and figure "one hundred thirty-  
6 six (136)".

Filed - *Adopted 6/16*  
June 9, 1971

By SHAFF