

FILED MAY 11 1977

Reprinted 5/77

SENATE FILE 394

By COMMITTEE ON WAYS AND MEANS  
*Approved 5/16 (p. 1502)*

**REPRINTED**

Passed Senate, Date 5-17-77 (p. 1649) Passed House, Date \_\_\_\_\_  
Vote: Ayes 42 Nays 5 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved 7/6/77

### A BILL FOR

1 An Act relating to the barrel tax rebate contained in  
 2 chapter one hundred twenty-three (123) of the Code.  
 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
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S.F. 394

SENATE FILE 394

S-3565

Amend Senate File 394 as follows:

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- 2 1. Page 2, by striking lines 9 through 15.

S-3565 FILED - *Adopted 5/17* BY WILLIAM D. PALMER  
MAY 12, 1977 (*p. 1649*)

REPRINTED

1 Section 1. Chapter one hundred twenty-four, division  
2 two (II), Code 1977, is amended by adding the following new  
3 section:

4 NEW SECTION. BARREL TAX REBATE.

5 1. Any class "A" permittee which owns and operates a  
6 brewery located in Iowa and which is not disqualified under  
7 subsection three (3) of this section is entitled to the barrel  
8 tax rebate provided in subsection two (2) of this section.

9 2. Upon application, a class "A" permittee entitled to  
10 a rebate under this section shall receive a rebate of fifty  
11 percent of the barrel tax paid under section one hundred  
12 twenty-three point one hundred thirty-six (123.136) of the  
13 Code for each barrel of the first fifty thousand barrels taxed  
14 in each year. The rebate shall be paid to the class "A"  
15 permittee entitled thereto whether the barrel tax was collected  
16 from such class "A" permittee or from another class "A"  
17 permittee. The rebate provided in this subsection shall not  
18 apply to any penalty incurred.

19 3. A class "A" permittee which owns and operates a brewery  
20 located in Iowa shall be disqualified for the barrel tax  
21 rebate provided in subsection two (2) of this section if  
22 either of the following apply:

23 a. The amount manufactured in this state by that class  
24 "A" permittee and sold in this state, but excluding any amounts  
25 shipped outside of this state by any class "A" permittee,  
26 exceeds one hundred fifty thousand barrels annually.

27 b. That class "A" permittee, together with all other  
28 persons controlling, controlled by, or under common control  
29 with that class "A" permittee, manufacture at once or more  
30 locations within or without Iowa, an amount sold in this  
31 state, but excluding any amounts shipped outside of this state  
32 by any class "A" permittee, which exceeds one hundred fifty  
33 thousand barrels annually.

34 4. The rebate provided in subsection two (2) of this  
35 section shall apply only to the barrel tax incurred on beer

1 manufactured after the effective date of this Act.

2 5. The rebate provided in subsection two (2) of this  
3 section shall be payable after the tenth day of January and  
4 the tenth day of July of the year in which application is  
5 received, and the amount paid shall consist of the rebate  
6 due for manufacture during the preceding six month period.

7 Sec. 2. Section one hundred twenty-three point one hun-  
8 dred forty-six (123.146), Code 1977, is repealed.

9 Sec. 3. Any person to whom a barrel tax rebate accrued  
10 under the provisions of section one hundred twenty-three point  
11 one hundred forty-six (123.146) of the Code prior to the  
12 effective date of this Act may apply for the amount so ac-  
13 crued in the manner provided in subsection five (5) of section  
14 one (1) of this Act for rebate of tax paid after the effective  
15 date of this Act.

16 EXPLANATION

17 This bill repeals the 50 percent beer barrel tax rebate  
18 which presently exists as section 123.146 of the Code. In  
19 lieu of that section, a new barrel tax rebate provision is  
20 created. Under the amended version an Iowa manufacturer would  
21 be entitled to the 50 percent rebate on the first 50,000  
22 barrels taxed annually if the amount it manufactures and sells  
23 in Iowa does not exceed 150,000 barrels annually, excluding  
24 from the calculation all beer subsequently delivered for sale  
25 outside of the state. Present law contains the 50,000 barrel  
26 limitation, but does not exclude out-of-state sales and does  
27 not permit any rebate when production exceeds 50,000 barrels  
28 annually. Also the Iowa manufacturer would be entitled to  
29 claim the rebate for all barrel taxes paid in Iowa on beer  
30 it manufactured.

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LSB 213S  
lb/rh/8A

SENATE FILE 394  
FISCAL NOTE

DATE PREPARED: April 5, 1977  
Requested by: Senator Carr  
Prepared in regard to Senate File 394, An Act relating to the barrel tax rebate contained in chapter one hundred twenty-three (123) of the Code.

Following is the fiscal effect in dollars of the legislative proposal as required by Joint Rule 16.

S.F.394 abolishes the current barrel tax rebate section of the Code (123.146) and replaces it with a modified version.

For calendar year 1976, the State of Iowa collected \$92,315 in barrel taxes as a result of Iowa manufactured beer sales.

If S.F.394 were enacted prior to 1976, the state would still have collected \$92,315 in taxes; but \$46,158 would have been returned to Iowa manufacturers in the form of rebates. Since Iowa manufacturers are not now eligible for a rebate under the current provisions in the Code, the fiscal effect of this bill would have been to decrease general fund revenues by \$46,158.

There is insufficient information to permit an accurate projection of the fiscal impact of this bill for future years.

Source: Iowa Beer & Liquor Control Department

FILED  
MAY 11, 1977

GERRY RANKIN  
Legislative Fiscal Director

SENATE FILE

**394**

By COMMITTEE ON WAYS AND MEANS

(AS AMENDED AND PASSED BY THE SENATE MAY 17, 1977)

Passed Senate, Date 5-17-77 (p. 1649) Passed House, Date 5-20-77 (p. 2569)

Vote: Ayes 42 Nays 5 Vote: Ayes 83 Nays 9

Approved 7/6/77

*Return to records 5/21 (p. 2691)*

## A BILL FOR

1 An Act relating to the barrel tax rebate contained in  
 2 chapter one hundred twenty-three (123) of the Code.  
 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SENATE FILE 394

H-4343

1 Amend amendment H-4340, to Senate File 394  
 2 as passed by the Senate and reprinted, as follows:  
 3 1. Page 1, by striking lines 9 through 11  
 4 and inserting in lieu thereof the following:  
 5 "sale of horses."

H-4343 FILED  
MAY 20, 1977

BY SCHEELHAASE of Woodbury

SENATE FILE 394 by the Senate

H-4340

1 Amend Senate File 394, as passed by the Senate  
 2 and reprinted, as follows:  
 3 1. Page 2, by inserting after line 6 the  
 4 following section:  
 5 "Sec. \_\_\_\_ . Section four hundred twenty-two  
 6 point forty-five (422.45), Code 1977, is amended  
 7 by adding the following new subsection:  
 8 NEW SUBSECTION. The gross receipts from the  
 9 sale of horses, commonly known as draft horses,  
 10 which weigh one thousand two hundred pounds or  
 11 more."  
 12 2. Amend the title page, line 2, by inserting  
 13 after the word "Code" the words "and the exemption  
 14 of the sale of draft horses from sales tax".

H-4340 FILED  
MAY 20, 1977

BY LAGESCHULTE of Bremer  
SCHNEKLOTH of Scott

1 Section 1. Chapter one hundred twenty-three (123), division  
2 two (II), Code 1977, is amended by adding the following new  
3 section:

4 NEW SECTION. BARREL TAX REBATE.

5 1. Any class "A" permittee which owns and operates a  
6 brewery located in Iowa and which is not disqualified under  
7 subsection three (3) of this section is entitled to the barrel  
8 tax rebate provided in subsection two (2) of this section.

9 2. Upon application, a class "A" permittee entitled to  
10 a rebate under this section shall receive a rebate of fifty  
11 percent of the barrel tax paid under section one hundred  
12 twenty-three point one hundred thirty-six (123.136) of the  
13 Code for each barrel of the first fifty thousand barrels taxed  
14 in each year. The rebate shall be paid to the class "A"  
15 permittee entitled thereto whether the barrel tax was collected  
16 from such class "A" permittee or from another class "A"  
17 permittee. The rebate provided in this subsection shall not  
18 apply to any penalty incurred.

19 3. A class "A" permittee which owns and operates a brewery  
20 located in Iowa shall be disqualified for the barrel tax  
21 rebate provided in subsection two (2) of this section if  
22 either of the following apply:

23 a. The amount manufactured in this state by that class  
24 "A" permittee and sold in this state, but excluding any amounts  
25 shipped outside of this state by any class "A" permittee,  
26 exceeds one hundred fifty thousand barrels annually.

27 b. That class "A" permittee, together with all other  
28 persons controlling, controlled by, or under common control  
29 with that class "A" permittee, manufacture at one or more  
30 locations within or without Iowa, an amount sold in this  
31 state, but excluding any amounts shipped outside of this state  
32 by any class "A" permittee, which exceeds one hundred fifty  
33 thousand barrels annually.

34 4. The rebate provided in subsection two (2) of this  
35 section shall apply only to the barrel tax incurred on beer

1 manufactured after the effective date of this Act.

2 5. The rebate provided in subsection two (2) of this  
3 section shall be payable after the tenth day of January and  
4 the tenth day of July of the year in which application is  
5 received, and the amount paid shall consist of the rebate  
6 due for manufacture during the preceding six month period.

7 Sec. 2. Section one hundred twenty-three point one hun-  
8 dred forty-six (123.146), Code 1977, is repealed.

9 EXPLANATION

10 This bill repeals the 50 percent beer barrel tax rebate  
11 which presently exists as section 123.146 of the Code. In  
12 lieu of that section, a new barrel tax rebate provision is  
13 created. Under the amended version an Iowa manufacturer would  
14 be entitled to the 50 percent rebate on the first 50,000  
15 barrels taxed annually if the amount it manufactures and sells  
16 in Iowa does not exceed 150,000 barrels annually, excluding  
17 from the calculation all beer subsequently delivered for sale  
18 outside of the state. Present law contains the 50,000 barrel  
19 limitation, but does not exclude out-of-state sales and does  
20 not permit any rebate when production exceeds 50,000 barrels  
21 annually. Also the Iowa manufacturer would be entitled to  
22 claim the rebate for all barrel taxes paid in Iowa on beer  
23 it manufactured.

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SF 394  
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SENATE FILE 394

AN ACT

RELATING TO THE BARREL TAX REBATE CONTAINED IN CHAPTER ONE  
HUNDRED TWENTY-THREE (123) OF THE CODE.

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

Section 1. Chapter one hundred twenty-three (123), division two (II), Code 1977, is amended by adding the following new section:

NEW SECTION. BARREL TAX REBATE.

1. Any class "A" permittee which owns and operates a brewery located in Iowa and which is not disqualified under subsection three (3) of this section is entitled to the barrel tax rebate provided in subsection two (2) of this section.

2. Upon application, a class "A" permittee entitled to a rebate under this section shall receive a rebate of fifty percent of the barrel tax paid under section one hundred twenty-three point one hundred thirty-six (123.136) of the Code for each barrel of the first fifty thousand barrels taxed in each year. The rebate shall be paid to the class "A" permittee entitled thereto whether the barrel tax was collected from such class "A" permittee or from another class "A" permittee. The rebate provided in this subsection shall not apply to any penalty incurred.

3. A class "A" permittee which owns and operates a brewery located in Iowa shall be disqualified for the barrel tax rebate provided in subsection two (2) of this section if either of the following apply:

a. The amount manufactured in this state by that class "A" permittee and sold in this state, but excluding any amounts shipped outside of this state by any class "A" permittee, exceeds one hundred fifty thousand barrels annually.

b. That class "A" permittee, together with all other persons controlling, controlled by, or under common control with that class "A" permittee, manufacture at one or more

locations within or without Iowa, an amount sold in this state, but excluding any amounts shipped outside of this state by any class "A" permittee, which exceeds one hundred fifty thousand barrels annually.

4. The rebate provided in subsection two (2) of this section shall apply only to the barrel tax incurred on beer manufactured after the effective date of this Act.

5. The rebate provided in subsection two (2) of this section shall be payable after the tenth day of January and the tenth day of July of the year in which application is received, and the amount paid shall consist of the rebate due for manufacture during the preceding six month period.

Sec. 2. Section one hundred twenty-three point one hundred forty-six (123.146), Code 1977, is repealed.

\_\_\_\_\_  
ARTHUR A. NEU  
President of the Senate

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DALE M. COCHRAN  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 394, Sixty-seventh General Assembly.

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STEVEN C. CROSS  
Secretary of the Senate

Approved 7/6, 1977

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ROBERT D. RAY  
Governor