

House File 885 - Introduced

HOUSE FILE 885

BY SALMON

A BILL FOR

1 An Act providing for an increase in the barrel tax on beer and
2 making appropriations.

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

1 Section 1. Section 123.136, Code 2021, is amended to read
2 as follows:

3 **123.136 Barrel tax.**

4 1. In addition to the annual permit fee to be paid by
5 all class "A" beer permittees under **this chapter** there shall
6 be levied and collected from the permittees on all beer
7 manufactured for sale or sold in this state at wholesale and
8 on all beer imported into this state for sale at wholesale and
9 sold in this state at wholesale, and from special class "A"
10 beer permittees on all beer manufactured for consumption on the
11 premises and on all beer sold at retail at the manufacturing
12 premises for consumption off the premises pursuant to section
13 123.130, subsection 4, a tax of ~~five~~ eight and ~~eighty-nine~~
14 ninety-nine hundredths dollars for every barrel containing
15 thirty-one gallons, and at a like rate for any other quantity
16 or for the fractional part of a barrel. However, no tax shall
17 be levied or collected on beer shipped outside this state by a
18 class "A" beer permittee or special class "A" beer permittee or
19 on beer sold to a class "A" beer permittee by a special class
20 "A" beer permittee or another class "A" beer permittee.

21 2. ~~All revenue~~ Revenue derived from the barrel tax shall be
22 distributed as follows:

23 a. An amount equal to three and ten-hundredths dollars for
24 every barrel, and at a like rate for any other quantity or for
25 the fractional part of a barrel, shall be appropriated to the
26 governor's office of drug control policy, as referred to in
27 section 80E.1, for substance abuse prevention and treatment,
28 and for alcohol and controlled substance related enforcement.

29 b. All remaining revenues derived from the barrel tax shall
30 accrue to the state general fund.

31 3. All of the provisions of **this chapter** relating to the
32 administration of the barrel tax on beer shall apply to this
33 section.

34

EXPLANATION

35 The inclusion of this explanation does not constitute agreement with

1 the explanation's substance by the members of the general assembly.

2 This bill provides for an increase in the barrel tax on
3 beer and appropriates the amount of the revenue derived
4 from the barrel tax increase for substance abuse prevention
5 and treatment, and for alcohol and controlled substance
6 enforcement.

7 The bill increases the tax on a gallon of beer by 10 cents,
8 which constitutes an increase of the barrel tax on beer from
9 \$5.89 per barrel to \$8.99 per barrel. There are 31 gallons of
10 beer in a barrel.

11 The bill provides that the amount of revenue derived from
12 the barrel tax increase is appropriated to the governor's
13 office of drug control policy for substance abuse prevention
14 and treatment, and for alcohol and controlled substance
15 enforcement. The bill provides that all remaining revenues
16 derived from the barrel tax shall accrue to the general fund of
17 the state, which is the same as current law.