

BILL SUMMARY
1st Session of the 56th Legislature

Bill No.:	HB 1686
Version:	INT
Request Number:	6661
Author:	Rep. Wright
Date:	2/15/2017
Impact:	Tax Commission: Unknown Impact

Evaluation Continues

Research Analysis

HB 1686 increases the excise tax rate on alcoholic beverages and exempts them from sales tax. The excise tax is increased from \$1.47 per liter to \$3.50 per liter of spirits. The excise tax on each barrel of beer is increased from \$12.50 to \$45. The measure apportions the increased excise tax to the state, municipalities and counties that levy a sales tax in the proportions which each entity received in sales tax in the preceding month.

Prepared By: Brad Wolgamott

Fiscal Analysis

From the Tax Commission:

Section 1 amends Section 5-101 of Title 37A increasing the excise tax rates imposed on spirits and beer to \$3.50 per liter and \$45 per barrel.

Section 2 provides for the apportionment of the excise tax revenues attributable to spirits with \$1.47 of the \$3.50 allocated in the same manner as currently provided under Section 5-104 of Title 37A² with the remaining \$2.03 apportioned to the state, cities and counties that levy a sales tax, in the proportions which each entity received in sales tax in the preceding month. The amount allocated to the state shall be apportioned pursuant to Section 1353 of Title 68.

This Section further outlines the apportionment of the excise tax revenues relating to beer with \$11.25 of the \$45.00 allocated in the same manner as currently provided by Section 5-104 of Title 37A³ with the remaining \$33.75 apportioned to the state, cities and counties that levy a sales tax, in the proportions which each entity received in sales tax in the preceding month. The amount allocated to the state shall be apportioned pursuant to Section 1353 of Title 68.

Section 3 proposes amendment to Section 1355 of Title 68 by exempting from the sales tax levy, sales of spirits & beer on which tax levied in Section 5-101 of Title 37A has been paid.

Analysis:

The effects of the proposed language on alcohol excise and sales tax revenues for FY 19 and FY 20 are presently being evaluated. The revenue impact of HB 1686 is not known at this time.

Prepared By: Mark Tygret

Other Considerations

None.

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