

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 59<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>SB2001</b>
<b>Version:</b>	<b>ENGR</b>
<b>Request Number:</b>	
<b>Author:</b>	<b>Rep. Hays</b>
<b>Date:</b>	<b>4/12/2024</b>
<b>Impact:</b>	<b>ABLE: Unknown decrease to mixed beverage licensing revenues</b>

**Research Analysis**

SB2001 lowers the annual spirits registration fee for brand label spirits from \$375.00 to \$75.00 if the yearly spirits production remains below 53 gallons, and defines "Straw Testing" as the minimal consumption of alcohol by a licensed employee aged 21 or older for assessing beverage quality.

The measure provides an exception to the quantity of alcoholic beverages allowed on premises, for educational training and tasting purposes as long as the tasting:

- occurs on the licensed premises
- supervised by the licensee
- involves employees aged 21 or older; and
- the employee's participation is voluntary, with limits on the quantity of alcohol per type (beer, wine, spirits, mixed beverages) and consumption by the employee doesn't exceed 12oz of beer, 6 oz of wine and 1.3 oz of spirits in one day.

Prepared By: Stefne Miller

**Fiscal Analysis**

This measure would reduce brand registration fees from \$375 to \$75 annually for spirits manufacturers who produce less than 53 gallons per year. The following information was provided by officials from the Alcoholic Beverage Laws Enforcement Commission (ABLE):

Statistics that pertain to how many gallons are produced by a brand licensee are not available, however a small number would qualify for a lower fee. A reduction in this fee will have a negative impact on revenues collected from mixed beverage licensing, but overall is not anticipated to have a material impact on the ABLE budget.

Officials from the Oklahoma Tax Commission (OTC) provided the following analysis:

# OKLAHOMA TAX COMMISSION

## REVENUE IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT SECOND REGULAR SESSION, FIFTY-NINTH OKLAHOMA LEGISLATURE

**DATE OF IMPACT STATEMENT:** January 25, 2024

**BILL NUMBER:** HB 3076 **STATUS AND DATE OF BILL:** Introduced 1/16/2024

**AUTHORS:** House: Hays Senate: n/a

**TAX TYPE(S):** Sales Tax & Mixed Beverage Tax

**SUBJECT:** Other

**PROPOSAL:** Amendatory

HB 3076 proposes to amend 37A O.S. §§ 6-105 and 6-109, allowing mixed beverage permit holders to receive alcoholic beverages from wine and spirits wholesaler, beer distributor, brewer, small brewer, distiller, winemaker, small farm winery, rectifier, manufacturer, nonresident seller licensees when kept, brought, or consumed on the licensed premises for educational training tasting purposes and sets volume amounts per day and by alcoholic beverage type. This measure also provides a definition for straw testing.

**EFFECTIVE DATE:** Emergency - Upon Passage and Approval


**REVENUE IMPACT:** HB 3076 does not address the taxation or exemption of the alcoholic beverages consumed for educational training testing purposes or straw testing. Therefore, an unknown impact on state sales tax collections and mixed beverage tax collections are expected in FY 25 and FY 26.

**FY 25: Unknown**

**FY 26: Unknown**

1/26/24

DATE

  
MARIE SCHUBLE, DIVISION DIRECTOR

msm

1/26/24

DATE

Huan Gong  
HUAN GONG, ECONOMIST

1/29/2024

DATE

Joseph P. Gappa  
JOSEPH P. GAPPA, FOR THE COMMISSION

*The revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted.*

## **ATTACHMENT TO REVENUE IMPACT – [HB 3076] Prepared: [January 25, 2024]**

### **CURRENT LAW:**

Persons selling mixed beverages to purchasers for use or consumption are required to remit sales tax and gross receipts tax (mixed beverage tax) to the Oklahoma Tax Commission on all gross receipts for the sale, preparation or service of mixed beverages and upon the total retail value price, of all mixed beverages sold, prepared or served either upon a discounted or complimentary basis. A person holding a mixed beverage tax permit or other permit issued in accordance with 37A O.S. § 5-107, may purchase the alcoholic beverages exempt from sales tax.

A licensed establishment that sells or serves alcoholic beverages are prohibited from allowing any alcoholic beverages on their premises that they are not licensed to sell or serve. Also, no licensed establishment or employee thereof is allowed to consume or be under the influence of alcoholic beverages during the hours he or she is on duty.

### **PROPOSED AMENDMENTS:**

Sections 1 and 2 propose to amend the brand labeling fee (collected by the Alcoholic Beverage Laws Enforcement Commission) and add a definition of “straw testing”. Sections 3 and 4 propose to amend 37A O.S. §§ 6-105 and 6-109, providing an exception to the current rule that mixed beverage permit holders who sell or serve alcoholic beverages are prohibited from allowing any alcoholic beverages on their premises that they are not licensed to sell or serve. This measure would allow alcoholic beverages which are provided by a wine and spirits wholesaler, beer distributor, brewer, small brewer, distiller, winemaker, small farm winery, rectifier, manufacturer, or nonresident seller licensee to be kept, brought, or consumed on the licensed premises for educational training tasting purposes, provided the rules in Section 6-109 are followed.

### **ANTICIPATED IMPACT:**

HB 3076 does not address the taxation or exemption of the alcoholic beverages consumed for educational training testing purposes or straw testing. Therefore, an unknown impact on state sales tax collections and mixed beverage tax collections are expected in FY 25 and FY 26.

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<sup>1</sup> Straw testing means the consumption of a de minimis amount of an alcoholic beverage by sanitary means by the holder of an employee license who is at least twenty-one (21) years of age to determine the quality or desired flavor profile of such alcoholic beverage that has been served, or is to be served, to a patron.

Prepared By: Robert Flipping IV, House Fiscal Staff

**Other Considerations**

None.

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