

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: March 22, 2023

BILL NUMBER: HB 1682 **STATUS AND DATE OF BILL:** Engrossed 3/21/2023

AUTHORS: House: Dempsey Senate: Coleman

TAX TYPE (S): Mixed Beverage Tax **SUBJECT:** Other

PROPOSAL: Amendatory

In addition to the locations presently authorized by statute this measure proposes amendment to Section 2-103 of Title 37A by allowing Oklahoma distilleries to sell their products (spirits) for on premise or off-premise consumption at one location controlled by the distillery/licensee located not contiguous to the licensed distillery premises. In addition, spirits sold at authorized locations and events/shows when mixed with other non-alcoholic substances, shall not be considered as cocktails, mixed beverages, or mixed drinks. In addition, such non-alcoholic substances used for on premise consumption shall not be considered part of the manufacturing process.

EFFECTIVE DATE: Emergency - Upon Passage and Approval

REVENUE IMPACT:

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 23: Unknown

FY 24: Unknown

March 23, 2023

DATE

Rick Miller

DIVISION DIRECTOR

msm

3/23/2023

DATE

Huan Gong

HUAN GONG, ECONOMIST

3/27/2023

DATE

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.

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Currently, based upon Oklahoma Tax Commission information, there are 14 distilleries that have been issued a distillery wholesaler account. Whether any of these distilleries are making sales of their products (bourbon, vodka and other spirits) mixed with non-alcoholic substances for on premise consumption is unknown. However, this measure will allow these distilleries to do so exempt from imposition of mixed beverage gross receipts tax. Therefore, the impact of this measure on mixed beverage tax collections for FY 23 and FY 24 is unknown.