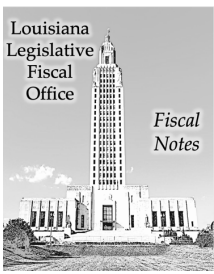


**LEGISLATIVE FISCAL OFFICE  
Fiscal Note**



Fiscal Note On: **HB 252** HLS 21RS 641  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 30, 2021	3:17 PM	<b>Author:</b> LANDRY
<b>Dept./Agy.:</b> LDR/ATC		<b>Analyst:</b> Benjamin Vincent
<b>Subject:</b> Excise Tax Exemption: Brewers Under 250 kbbl per Year		

TAX CREDITS OR DECREASE GF RV See Note Page 1 of 1  
 Exempts certain beverages from state excise tax

Present law levies a tax of \$12.50/bbl on malt beverages and beverages of low alcoholic content.

Proposed law exempts beverages produced by a brewer producing less than 250,000 barrels of such beverage per year from the excise tax.

Effective July 1, 2021.

<b>EXPENDITURES</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	SEE BELOW	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>REVENUES</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

LDR anticipates that adding exemptions to the excise tax will require some expenditures for tax return form redesign, and for computer system modification, development, and testing, estimated at \$51,000 of staff time. ATC does not anticipate any additional costs due to proposed law.

**REVENUE EXPLANATION**

Proposed law would exempt purchases of malt and low alcoholic content beverages from the excise tax, provided that the brewer produces less than 250,000 barrels of the beverage. Proposed law would reduce state general fund revenues to an indeterminable extent.

Information on production volumes for such beverages brewed outside the state is not collected, thus the likely effect of exempting beverages brewed outside the state is indeterminable. However, of the approximately 25 brewers in the state, ATC reports that none of them produce more than 250,000 barrels annually. Based on recent sales volumes of these beverages, the excise tax impact of exempting these purchases of beverages brewed in the state would be a reduction of \$700,000 annually. This figure represents a lower bound of proposed law's likely impact, as some beverages brewed outside the state would likely qualify for the exemption.

Senate Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

**Gregory V. Albrecht**  
 Chief Economist