

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 2295

Short Title: Raise Alcohol Taxes.

(Public)

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Sponsors: Representatives Privette; and Warner.

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Referred to: Finance.

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June 4, 1990

A BILL TO BE ENTITLED

AN ACT TO INCREASE TAXES ON ALCOHOLIC BEVERAGES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-113.80 reads as rewritten:

**"§ 105-113.80. Excise taxes on beer, wine, and liquor.**

(a) Beer. – An excise tax is levied on the sale of malt beverages at the rate of:

(1) ~~Forty-eight and three hundred eighty-seven one thousandths cents (48.387¢)~~

One hundred one and seven-tenths cents (101.7¢) per gallon on malt

beverages in barrels holding at least seven and three-fourths gallons;

and

(2) ~~Fifty-three and three hundred seventy-six one thousandths cents (53.376¢)~~

One hundred six and seven-tenths cents (106.7¢) per gallon on malt

beverages in cans, bottles, barrels, or other containers holding less than

seven and three-fourths gallons.

(b) Wine. – An excise tax of ~~twenty-one cents (21¢)~~ fifty-four and eight-tenths

cents (54.8¢) per liter is levied on the sale of unfortified wine, and an excise tax of

~~twenty-four cents (24¢)~~ fifty-seven and eight-tenths cents (57.8¢) per liter is levied on the

sale of fortified wine.

(c) Liquor. – An excise tax of ~~twenty-eight percent (28%)~~ forty-nine and five-

tenths percent (49.5%) is levied on liquor sold in ABC stores. Pursuant to G.S. 18B-

804(b), the price of liquor on which this tax is computed is the distiller's price plus (i)

the State ABC warehouse freight and bailment charges, and (ii) a markup for local ABC

boards. This tax is in lieu of sales and use taxes; accordingly, liquor is exempt from

those taxes as provided in G.S. 105-164.13(37)."

1           Sec. 2. G.S. 105-113.81A reads as rewritten:

2   "**§ 105-113.81A. Distribution of part of wine taxes attributable to North Carolina**  
3       **wine.**

4       The Secretary shall on a quarterly basis credit to the Department of Agriculture  
5 ~~ninety-four percent (94%)~~ thirty-six and six-tenths percent (36.6%) of the net proceeds of  
6 the excise tax collected on unfortified wine bottled in North Carolina during the  
7 previous quarter and ~~ninety-five percent (95%)~~ thirty-nine and five-tenths percent (39.5%)  
8 of the net proceeds of the excise tax collected on fortified wine bottled in North  
9 Carolina during the previous quarter, provided that the amount credited to the  
10 Department of Agriculture under this section shall not exceed ninety thousand dollars  
11 (\$90,000) per fiscal year. The Department of Agriculture shall allocate the funds  
12 received under this section to the North Carolina Grape Growers Council to be used to  
13 promote the North Carolina grape and wine industry and to contract for research and  
14 development services to improve viticultural and enological practices in North Carolina.  
15 Any funds credited to the Department of Agriculture under this section that are not  
16 expended by June 30 of any fiscal year may not revert to the General Fund, but shall  
17 remain available to the Department for the uses set forth in this section."

18           Sec. 3. G.S. 105-113.82(a) reads as rewritten:

19       "(a) Amount, Method. – The Secretary shall annually distribute the following  
20 percentages of the net amount of excise taxes collected on the sale of malt beverages  
21 and wine, less the amount of the net proceeds distributed under G.S 105-113.81A, to the  
22 counties and cities in which the retail sale of these beverages is authorized:

- 23           (1) Of the tax on malt beverages levied under G.S. 105-113.80(a), ~~twenty-~~  
24 ~~three and three-fourths percent (23 3/4%)~~ eleven and eight hundred  
25 seventy-five one-thousandths percent (11.875%);  
26           (2) Of the tax on unfortified wine levied under G.S. 105-113.80(b), ~~sixty-~~  
27 ~~two percent (62%)~~ twenty-three and sixty-seven one-hundredths percent  
28 (23.67%); and  
29           (3) Of the tax on fortified wine levied under G.S. 105-113.80(b), ~~twenty-~~  
30 ~~two percent (22%)~~ nine and twelve one-hundredths percent (9.12%).

31       If malt beverages, unfortified wine, or fortified wine may be licensed to be sold at  
32 retail in both a county and a city located in the county, both the county and city shall  
33 receive a portion of the amount of excise tax to be distributed, that portion to be  
34 determined on the basis of population. If one of these beverages may be licensed to be  
35 sold at retail in a city located in a county in which the sale of the beverage is otherwise  
36 prohibited, only the city shall receive a portion of the amount of excise tax to be  
37 distributed, that portion to be determined on the basis of population. The amounts to be  
38 distributed under subdivisions (1), (2), and (3) shall be computed separately."

39           Sec. 4. This act shall become effective October 1, 1990.