

## Fiscal Estimate - 2011 Session

Original
  Updated
  Corrected
  Supplemental

<b>LRB Number</b> <b>11-3973/1</b>	<b>Introduction Number</b> <b>AB-0521</b>
<b>Description</b> Homemade wine and fermented malt beverages	
<b>Fiscal Effect</b>  <b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs      3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs      4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <u>  0  </u> <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
<b>Fund Sources Affected</b> <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	<b>Affected Ch. 20 Appropriations</b>
<b>Agency/Prepared By</b> DOR/ Jacek Cianciara (608) 266-8133	<b>Authorized Signature</b> Paul Ziegler (608) 266-5773
<b>Date</b> 2/6/2012	

## Fiscal Estimate Narratives

DOR 2/6/2012

LRB Number	11-3973/1	Introduction Number	AB-0521	Estimate Type	Original
<b>Description</b> Homemade wine and fermented malt beverages					

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, a person may manufacture wine or fermented malt beverages (beer) at his or her home, farm, or place of residence without any license or permit provided that the wine or fermented malt beverage is to be consumed by that person or his or her family and guests and the person receives no compensation for the wine or beer. Homemade wine and beer manufactured and consumed under these criteria is exempt from state wine and beer taxes.

Under the bill, this treatment of homemade wine and beer is generally extended to any wine and beer made by a person's own efforts provided the wine or beer is not made for commercial use. The current restriction that homemade wine and beer must be made at the person's home is specifically eliminated.

Under the bill, no license or permit is required for the making, possession, transportation, or storage of homemade wine or beer, provided that: 1) the person who makes the homemade wine or beer receives no compensation, 2) the homemade wine or beer is not sold or offered for sale, and 3) the total quantity of homemade wine or beer made in a calendar year does not exceed 100 gallons if there is one person of legal drinking age or 200 gallons there are two or more persons of legal drinking age in the household.

If homemade wine or beer is made in compliance with these requirements under the bill, it is exempt from state wine and beer taxes. Such wine and beer may also be used for purposes of exhibition, demonstration, judging, tasting, sampling, or as part of a contest or competition without any license or permit.

The bill also allows a person, including an alcohol beverage retailer or other permit holder, to conduct, sponsor, or host an event, at either a public or private place, for the exhibition, judging, tasting, or sampling of homemade wine or beer, if the person does not sell, or acquire any ownership interest in the homemade wine or beer. If the contest or other event is held on premises for which a license or permit has been issued, the licensee or permittee may allow the homemade wine or fermented malt beverages to be stored on the premises provided they are kept separate from alcohol beverages owned by the license or permit holder.

The bill is not expected to have a significant fiscal effect on state tax collections. The department's administrative costs under the bill can be absorbed within existing expenditure authority.

### Long-Range Fiscal Implications