

### Fiscal Estimate - 2017 Session

- Original       Updated       Corrected       Supplemental

<b>LRB Number</b> 17-1489/1		<b>Introduction Number</b> SB-071		
<b>Description</b> the manufacture, sale, and taxation of powdered alcohol				
<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 checked="" 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	5. Types of Local Government Units Affected		
<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"/> Towns	<input type="checkbox"/> Village	<input type="checkbox"/> Cities
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Counties	<input type="checkbox"/> Others	
		<input type="checkbox"/> School Districts	<input type="checkbox"/> WTCS Districts	
<b>Fund Sources Affected</b>		<b>Affected Ch. 20 Appropriations</b>		
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS				
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>		
DOR/ Travis Arthur (608) 266-8565	Robert Schmidt (608) 266-5773	2/28/2017		

## Fiscal Estimate Narratives

DOR 2/28/2017

LRB Number	<b>17-1489/1</b>	Introduction Number	<b>SB-071</b>	Estimate Type	<b>Original</b>
<b>Description</b> the manufacture, sale, and taxation of powdered alcohol					

### Assumptions Used in Arriving at Fiscal Estimate

The bill modifies the definition of intoxicating liquor to include any substance that is sold in powder or crystalline form that contains more than 0.4% percent alcohol by weight and is fit for human consumption either in its powder or crystalline form or after it is added to food or mixed with water or another substance.

The bill also imposes the same occupational tax (85.86 cents per liter) on powdered alcohol that applies to other forms of intoxicating liquor. This tax is calculated on the volume of the product that results after it has been mixed according to the package instructions.

Powdered alcohol sales would likely displace sales of other distilled spirits, resulting in no significant fiscal effect. FY16 tax collections for intoxicating liquor totaled \$45.9 million. Excise tax collections may increase to the extent that powdered alcohol increases overall sales of liquor in the state. For example, if powdered alcohol sales increase overall sales of liquor by 2%, the department estimates tax collections would increase by about \$900,000.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 17-1489/1		<b>Introduction Number</b> SB-071	
<b>Description</b> the manufacture, sale, and taxation of powdered alcohol			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>  One-time cost of \$13,000 to make changes to WINPAS			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes	\$		\$
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>	<b>\$</b>		<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
	Increased Rev		Decreased Rev
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>	<b>\$</b>		<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	<u>State</u>		<u>Local</u>
NET CHANGE IN COSTS	\$		\$
NET CHANGE IN REVENUE	\$see text		\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	
DOR/ Travis Arthur (608) 266-8565		Robert Schmidt (608) 266-5773	
		<b>Date</b>	
		2/28/2017	