

FISCAL NOTE

May 15, 2019

Bill No:	HB 1346	Printer's No:	1805	Sponsor:	Masser (R)
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COST / (SAVINGS)

Fund (s)	2018-19	2019-20
General Fund-Lost Revenue	See "FISCAL IMPACT"	See "FISCAL IMPACT"

SUMMARY: HB 1346 amends the Liquor Code to allow for private wholesale of wine to licensed businesses who sell wine for both on and off-premise consumption.

ANALYSIS: HB 1346 amends the liquor code to introduce numerous reforms in the wholesale of wine in the Commonwealth. First, the price floor requirement for the sale of wine from a wholesaler to a retailer is repealed. Secondly, the bill allows for licensed wine retailers to purchase wine from private wholesalers.

HB 1346 stipulates that the private wholesaler shall be treated as a State Liquor Store for imposition of the Sales and Use Tax (SUT) and that the Liquor Tax currently paid by consumers at the point of sale shall be paid by the private wholesalers, rather than at the point of sale to consumers. The bill also includes a provision which allows for license retailers to apply to the Department of Revenue for a credit for any SUT paid for the sale of wine to consumers for off-premise consumption. This Department has the authority to implement this credit.

HB 1346 stipulates that the Liquor Control Board has the authority to determine which wine products may be sold, and the price they may be sold at.

HB 1346 takes effect 60 days after passage.

FISCAL IMPACT: Due to the impact on State Store wine sales, Liquor Tax revenue, and Sales and Use Tax revenue HB 1346 has the potential to jeopardize up to \$100 million in annual revenue.