

# FISCAL NOTE

April 1, 2021

<b>Bill No:</b>	HB 427	<b>Printer's No:</b>	939	<b>Sponsor:</b>	Pyle (R)
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### COST / (SAVINGS)

Fund (s)	2020-21	2021-22
State Stores Fund	See "FISCAL IMPACT"	See "FISCAL IMPACT"
General Fund	See "FISCAL IMPACT"	See "FISCAL IMPACT"

**SUMMARY:** House Bill 427 amends the Pennsylvania Liquor Code to provide an increased discount on retail prices for all purchases to certain licensees.

**ANALYSIS:** Currently, all PA liquor stores sell spirits at a wholesale rate to hotels, restaurants, clubs, railroad, pullman and steamship companies and pharmacists duly licensed, manufacturing pharmacists and to reputable hospitals or chemists. The current discount is 10 percent of the retail price.

With the exception of special order sales, House Bill 427 as amended, would increase this retail discount on all purchases to 15 percent for a licensee that does not hold a wine expanded permit. The bill also provides a 15 percent discount to restaurant licensees that hold a wine expanded permit but do not have an interior connection to a grocery store, convenience store, department store or a hotel licensee with a wine expanded permit regardless of any interior connection.

This 15 percent discount will revert to 10 percent three years after the expiration or termination of the proclamation of a disaster emergency issued by the governor on March 6, 2020, and any renewal of this proclamation thereafter.

Further, except for special orders, any restaurant licensee that holds a wine expanded permit with an interior connection to a grocery store, convenience store or department store, will receive a discount equal to 10 percent.

HB 427 will take effect 60 days upon enactment.

**FISCAL IMPACT:** If passed, HB 427 will result in approximately \$933,000 in loss revenue in Fiscal Year 2020-21 and \$11 million in loss revenue in Fiscal Year 2021-22. These totals are based on the Pennsylvania Liquor Control Board's (PLCB) liquor sales in calendar year 2020 and are therefore subject to change year after year.

FUND	FY 2020-21	FY 2021-22
PLCB State Stores Fund	\$750,000	\$9,000,000
General Fund (Sales Tax Revenue Loss)	\$183,333	\$2,200,000
<b>TOTAL</b>	<b>\$933,333</b>	<b>\$11,000,000</b>