



149th GENERAL ASSEMBLY
FISCAL NOTE

BILL: HOUSE BILL NO. 444
SPONSOR: Representative J. Johnson
DESCRIPTION: AN ACT TO AMEND TITLE 4 OF THE DELAWARE CODE RELATED TO
COLLECTION OF TAX ON ALCOHOLIC BEVERAGES.

Assumptions:

1. This Act shall become effective upon signing by the Governor and takes effect August 1, 2018.
2. This Act shifts the method of tax that licensed alcohol importers (wholesalers) pay on alcoholic beverages.
3. Currently, alcoholic beverage taxes are levied on importers when the alcoholic beverage becomes at rest in the State (minimum 18 hours). This Act allows the tax to be levied at the time of sale of alcoholic beverages to import customers (retailers).
4. This Act provides, for the month of August 2018, a credit for importers in an amount equal to the tax previously paid on stock or inventory resting in the State as of July 31, 2018.
5. The Department of Finance estimates revenue loss as a one-time cost resulting from crediting wholesalers for taxes paid under the current method of taxation (at rest) and the timing of tax revenue received when alcohol is sold under this Bill's new tax method (at time of sale).

Estimated Revenue Loss :

FY 2019: \$1.8 to \$2.8 million

FY 2020: \$0

FY 2021: \$0

Prepared by Art Jenkins
Office of the Controller General