



**150th GENERAL ASSEMBLY  
FISCAL NOTE**

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**BILL:** HOUSE BILL NO. 122  
**AS AMENDED BY:** HA 1  
**SPONSOR:** Representative Brady  
**DESCRIPTION:** AN ACT TO AMEND TITLE 4 OF THE DELAWARE CODE RELATED TO COLLECTION OF TAX ON ALCOHOLIC BEVERAGES.

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**Assumptions:**

1. This Act shall become effective upon signing by the Governor to take effect July 1, 2019.
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 (a minimum of 18 hours). This Act allows the tax to be levied at the time of sale to import customers (retailers).
4. This Act provides, for the months of August 2019 and July 2020, a credit for importers equal to one-half the tax previously paid on stock or inventory resting in the State as of July 31, 2019.
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).
6. Assumes one-half of the credits are taken in FY 2020 and one-half of the credits are taken in FY 2021.

**Estimated One-time Revenue Loss:**

FY 2020: \$1.8 to \$2.4 million

FY 2021: \$1.8 to \$2.4 million

FY 2022: \$0

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Prepared by Art Jenkins  
Office of the Controller General