# HOUSE BILL NO. 119

# INTRODUCED BY M. HANSON BY REQUEST OF THE DEPARTMENT OF REVENUE

# IN THE HOUSE

JANUARY 7, 1993

INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.

DO PASS AS AMENDED. REPORT ADOPTED.

FIRST READING.

PRINTING REPORT.

SECOND READING, DO PASS.

JANUARY 14, 1993

JANUARY 15, 1993

JANUARY 16, 1993

JANUARY 18, 1993

ENGROSSING REPORT.

COMMITTEE RECOMMEND BILL

THIRD READING, PASSED. AYES, 97; NOES, 2.

TRANSMITTED TO SENATE.

IN THE SENATE

JANUARY 20, 1993

FEBRUARY 10, 1993

FEBRUARY 11, 1993

INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.

FIRST READING.

FEBRUARY 4, 1993 COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.

SECOND READING, CONCURRED IN.

THIRD READING, CONCURRED IN. AYES, 49; NOES, 1.

RETURNED TO HOUSE.

IN THE HOUSE

FEBRUARY 12, 1993

RECEIVED FROM SENATE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

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LC 0510/01

House BILL NO. 119 1 INTRODUCED BY M. Hanson 2 BY REQUEST OF THE DEPARTMENT OF REVENUE 3 4 5 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING BEER AND WINE TAX ALLOCATION: PROVIDING FOR ANNUAL ADJUSTMENTS TO 6 CENSUS DATA: AMENDING SECTIONS 16-1-410 AND 16-1-411, MCA; 7 AND PROVIDING AN APPLICABILITY DATE AND AN EFFECTIVE DATE." 8 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 10 11 Section 1. Section 16-1-410, MCA, is amended to read: "16-1-410. (Temporary) Tax revenue allocation. (1) 12 Subject to 16-1-422, all revenue received from taxes on beer 13 14 under 16-1-406 and 16-1-408 over and above \$1.50 per barrel of 31 gallons shall must be deposited with the state 15 treasurer to the credit of the incorporated cities and towns 16 beer tax account in the state special revenue fund. The 17 18 money in the account is statutorily appropriated, as provided in 17-7-502, to the state treasurer who shall, 19 20 monthly, distribute this amount of money to the incorporated 21 cities and towns in the direct proportion that the 22 population of each city and town bears to the total population of all incorporated cities and towns as shown in 23 24 the latest official federal census as adjusted by the most recent population estimates published by the U.S. bureau of 25

1 the census. For cities and towns incorporated after the latest official federal census, the census shall must be 2 determined as of the date of incorporation as evidenced by 3 4 the certificate of the incorporating officials of that city 5 or town. If a city or town disincorporates, it may not receive any funds under this section and the amount 6 7 previously distributed to the city or town shall must be 8 distributed to the remaining incorporated cities and towns. 9 All funds received by cities and towns under this section 10 shall must be expended for state purposes, such as law 11 enforcement, maintenance of the transportation system, and 12 public health. 13 (2) The department may adjust population estimates only 14 on the July 1 following the date of publication of the 15 estimates by the U.S. bureau of the census. The adjusted distribution formula must remain in effect for the entire 16 17 fiscal year. 18 16-1-410. (Effective on receipt of taxes or fees for

19 September 1993) Tax revenue allocation. (1) All revenue 20 received from taxes on beer under 16-1-406 and 16-1-408 over 21 and above \$1.50 per barrel of 31 gallons shall must be 22 deposited with the state treasurer to the credit of the 23 incorporated cities and towns beer tax account in the state 24 special revenue fund. The money in the account is 25 statutorily appropriated, as provided in 17-7-502, to the

HB N9 INTRODUCED BILL -2-

state treasurer who shall, monthly, distribute this amount 1 2 of money to the incorporated cities and towns in the direct 3 proportion that the population of each city and town bears 4 to the total population of all incorporated cities and towns 5 as shown in the latest official federal census as adjusted 6 by the most recent population estimates published by the 7 U.S. bureau of the census. For cities and towns incorporated 8 after the latest official federal census, the census shall 9 must be determined as of the date of incorporation as 10 evidenced by the certificate of the incorporating officials 11 of that city or town. If a city or town disincorporates. it 12 may not receive any funds under this section and the amount 13 previously distributed to the city or town shall must be 14 distributed to the remaining incorporated cities and towns. All funds received by cities and towns under this section 15 16 shall must be expended for state purposes, such as law 17 enforcement, maintenance of the transportation system, and 18 public health.

19 (2) The department may adjust population estimates only
 20 on the July 1 following the date of publication of the
 21 estimates by the U.S. bureau of the census. The adjusted
 22 distribution formula must remain in effect for the entire
 23 fiscal year."

Section 2. Section 16-1-411, MCA, is amended to read:
"16-1-411. (Temporary) Tax on wine. (1) A tax of 27

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1	cents per liter is hereby-levied-and imposed on table wine
2	imported by any a table wine distributor or the department.
3	(2) (a) The tax on table wine imported by a table wine
4	distributor shall must be paid by the table wine distributor
5	by the 15th day of the month following sale of the table
6	wine from the table wine distributor's warehouse. Failure to
7	file a table wine tax return or failure to pay the tax
8	required by this section subjects the table wine distributor
9	to the penalties and interest provided for in 16-1-409.
10	(b) The tax on table wine imported by the department
11	shall must be collected at the time of sale.

12 (3) The tax paid by a table wine distributor in 13 accordance with subsection (2)(a) and the tax collected by 14 the department in accordance with subsection (2)(b) shall 15 must be distributed as follows:

16 (a) 16 cents to the state general fund; and

17 (b) of the remaining 11 cents:

18 (i) 8.34 cents to the state special revenue fund to the
19 credit of the department of corrections and human services
20 for the treatment, rehabilitation, and prevention of
21 alcoholism;

(ii) 1 1/3 cents is statutorily appropriated, as
provided in 17-7-502, to the department, for allocation to
the counties, based on population, for the purpose
established in 16-1-404; and

(iii) 1 1/3 cents is statutorily appropriated, as
 provided in 17-7-502, to the department, for allocation to
 the cities and towns, based on population, for the purpose
 established in 16-1-405.

5 (4) The taxes computed and paid in accordance with 6 16-1-423, 16-2-301, and this section shall-be are the only 7 taxes imposed by the state or any of its subdivisions, 8 including cities and towns.

9 (5) The proceeds of the surtax imposed by 16-1-423 must
10 be deposited in the state general fund.

11 (6) For purposes of this section "based on population"
12 means:

13 (a) for counties, the direct proportion that the 14 population of each county bears to the total population of 15 all counties as shown in the latest official federal census 16 as adjusted by the most recent population estimates 17 published by the U.S. bureau of the census as provided in 18 16-1-410(2); and

19 (b) for cities, the distribution described in 16-1-410.
20 16-1-411. (Effective on receipt of taxes or fees for
21 September 1993) Tax on wine. (1) A tax of 27 cents per liter
22 is hereby-levied-and imposed on table wine imported by any a
23 table wine distributor or the department.

24 (2) (a) The tax on table wine imported by a table wine
25 distributor shall must be paid by the table wine distributor

by the 15th day of the month following sale of the table 1 wine from the table wine distributor's warehouse. Failure to 2 file a table wine tax return or failure to pay the tax 3 required by this section subjects the table wine distributor 4 to the penalties and interest provided for in 16-1-409. 5 (b) The tax on table wine imported by the department 6 shall must be collected at the time of sale. 7 (3) The tax paid by a table wine distributor in 8 accordance with subsection (2)(a) and the tax collected by **g** . the department in accordance with subsection (2)(b) shall 10 must be distributed as follows: 11 12 (a) 16 cents to the state general fund; and (b) of the remaining 11 cents: 13 (i) 8.34 cents to the state special revenue fund to the 14 credit of the department of corrections and human services 15 for the treatment, rehabilitation, and prevention of 16 17 alcoholism;

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18 (ii) 1 1/3 cents is statutorily appropriated, as 19 provided in 17-7-502, to the department, for allocation to 20 the counties, based on population, for the purpose 21 established in 16-1-404; and

(iii) 1 1/3 cents is statutorily appropriated, as provided in 17-7-502, to the department, for allocation to the cities and towns, based on population, for the purpose established in 16-1-405.

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1	(4) The tax computed and paid in accordance with this
2	section <b>shall-be <u>is</u> the only tax imposed by the state or any</b>
3	of its subdivisions, including cities and towns.
4	(5) For purposes of this section "based on population"
5	means:
6	(a) for counties, the direct proportion that the
7	population of each county bears to the total population of
8	all counties as shown in the latest official federal census
9	as adjusted by the most recent population estimates
10	published by the U.S. bureau of the census as provided in
11	16-1-410(2); and
12	(b) for cities, the distribution described in
13	<u>16-1-410.</u> "
14	NEW SECTION. Section 3. Applicability. [This act]
15	applies to all beer and wine tax revenue recorded on or
16	after July 1, 1993, regardless of when the tax obligation
17	accrued.
18	NEW SECTION. Section 4. Effective date. [This act] is

19 effective July 1, 1993.

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-End-

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# STATE OF MONTANA - FISCAL NOTE

## Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0119, as introduced.

## DESCRIPTION OF PROPOSED LEGISLATION:

An act clarifying beer and wine tax allocation; providing for annual adjustments to census data; and providing an applicability date and an effective date.

## ASSUMPTIONS :

1. The U.S. Bureau of the Census publishes city/town population estimates for every even-numbered year between censuses.

2. The U.S. Bureau of the Census will publish the 1992 city/town population estimates after July 1, 1993.

## FISCAL IMPACT:

The proposed legislation will have no impact on Department of Revenue revenues or expenditures.

## EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

The proposed legislation will have no impact on <u>total</u> city/town revenue distributions. However, during FY95 (and every other year thereafter) the distribution <u>among</u> incorporated cities and towns may be adjusted based upon the change in relative population estimates. The proposed legislation will result in a more accurate distribution of revenue based upon estimated changes in relative populations.

#### TECHNICAL NOTES:

The bill title should be changed to reflect the U.S. Bureau of the Census's current practice of publishing the city/town population estimates every other year.

DAVID LEWIS, BUDGET DIRECTOR DATE Office of Budget and Program Planning

A11200 -11-93

MARIAN W. HANSON, PRIMARY SPONSOR DATE

Fiscal Note for HB0119, as introduced.



53rd Legislature

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#### APPROVED BY COMMITTEE ON TAXATION

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2	INTRODUCED BY M. HANSON
3	BY REQUEST OF THE DEPARTMENT OF REVENUE
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<b>5</b> ·	A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING BEER AND
6	WINE TAX ALLOCATION; PROVIDING FOR ANNUAL ADJUSTMENTS TO
7	CENSUS DATA; AMENDING SECTIONS 16-1-410 AND 16-1-411, MCA;
8	AND PROVIDING AN APPLICABILITY DATE AND AN EFFECTIVE DATE."
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10	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
11	Section 1. Section 16-1-410, MCA, is amended to read:
12	*16-1-410. (Temporary) Tax revenue allocation. (1)
13	Subject to 16-1-422, all revenue received from taxes on beer
14	under 16-1-406 and 16-1-408 over and above \$1.50 per barrel
15	of 31 gallons shall must be deposited with the state
16	treasurer to the credit of the incorporated cities and towns
17	beer tax account in the state special revenue fund. The
18	money in the account is statutorily appropriated, as
19	provided in 17-7-502, to the state-treasurer DEPARTMENT who
20	shall, monthly, distribute this amount of money to the
21	incorporated cities and towns in the direct proportion that
22	the population of each city and town bears to the total
23	population of all incorporated cities and towns as shown in
24	the latest official federal census as adjusted by the most
25	recent population estimates published by the U.S. bureau of

the census. For cities and towns incorporated after the 2 latest official federal census, the census shall must be 3 determined as of the date of incorporation as evidenced by 4 the certificate of the incorporating officials of that city 5 or town. If a city or town disincorporates, it may not б receive any funds under this section and the amount 7 previously distributed to the city or town shall must be distributed to the remaining incorporated cities and towns. 8 9 All funds received by cities and towns under this section 10 shall must be expended for state purposes, such as law 11 enforcement, maintenance of the transportation system, and 12 public health. 13 (2) The department may adjust population estimates only

14 on the July 1 following the date of publication of the 15 estimates by the U.S. bureau of the census. The adjusted 16 distribution formula must remain in effect for the entire 17 fiscal year.

18 16-1-410. (Effective on receipt of taxes or fees for 19 September 1993) Tax revenue allocation. (1) All revenue 20 received from taxes on beer under 16-1-406 and 16-1-408 over 21 and above \$1.50 per barrel of 31 gallons shall must be 22 deposited with the state treasurer to the credit of the 23 incorporated cities and towns beer tax account in the state 24 special revenue fund. The money in the account is 25 statutorily appropriated, as provided in 17-7-502, to the

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1 state-treasurer DEPARTMENT who shall, monthly, distribute this amount of money to the incorporated cities and towns in 2 3 the direct proportion that the population of each city and town bears to the total population of all incorporated 5 cities and towns as shown in the latest official federal census as adjusted by the most recent population estimates 6 7 published by the U.S. bureau of the census. For cities and towns incorporated after the latest official federal census, 8 9 the census shall must be determined as of the date of 10 incorporation as evidenced by the certificate of the incorporating officials of that city or town. If a city or 11 town disincorporates, it may not receive any funds under 12 13 this section and the amount previously distributed to the city or town shall must be distributed to the remaining 14 15 incorporated cities and towns. All funds received by cities and towns under this section shall must be expended for 16 state purposes, such as law enforcement, maintenance of the 17 18 transportation system, and public health.

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"16-1-411. (Temporary) Tax on wine. (1) A tax of 27

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cents per liter is hereby-levied-and imposed on table wine
 imported by any <u>a</u> table wine distributor or the department.

3 (2) (a) The tax on table wine imported by a table wine 4 distributor shall <u>must</u> be paid by the table wine distributor 5 by the 15th day of the month following sale of the table 6 wine from the table wine distributor's warehouse. Failure to 7 file a table wine tax return or failure to pay the tax 8 required by this section subjects the table wine distributor 9 to the penalties and interest provided for in 16-1-409.

(b) The tax on table wine imported by the department
shall must be collected at the time of sale.

12 (3) The tax paid by a table wine distributor in 13 accordance with subsection (2)(a) and the tax collected by 14 the department in accordance with subsection (2)(b) shall 15 must be distributed as follows:

16 (a) 16 cents to the state general fund; and

17 (b) of the remaining 11 cents:

18 (i) 8.34 cents to the state special revenue fund to the
19 credit of the department of corrections and human services
20 for the treatment, rehabilitation, and prevention of
21 alcoholism;

(ii) 1 1/3 cents is statutorily appropriated, as
provided in 17-7-502, to the department, for allocation to
the counties, based on population, for the purpose
established in 16-1-404; and

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(iii) 1 1/3 cents is statutorily appropriated, as
 provided in 17-7-502, to the department, for allocation to
 the cities and towns, based on population, for the purpose
 established in 16-1-405.

5 (4) The taxes computed and paid in accordance with 6 16-1-423, 16-2-301, and this section shall-be are the only 7 taxes imposed by the state or any of its subdivisions, 8 including cities and towns.

9 (5) The proceeds of the surtax imposed by 16-1-423 must
10 be deposited in the state general fund.

11 (6) For purposes of this section "based on population" 12 means:

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by the 15th day of the month following sale of the table wine from the table wine distributor's warehouse. Failure to file a table wine tax return or failure to pay the tax required by this section subjects the table wine distributor to the penalties and interest provided for in 16-1-409.

6 (b) The tax on table wine imported by the department
7 shall must be collected at the time of sale.

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9 accordance with subsection (2)(a) and the tax collected by
10 the department in accordance with subsection (2)(b) shall
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credit of the department of corrections and human services
for the treatment, rehabilitation, and prevention of
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-End-

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1	HOUSE BILL NO. 119
2	INTRODUCED BY M. HANSON
3	BY REQUEST OF THE DEPARTMENT OF REVENUE
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5	A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING BEER AND
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-2-

THIRD READING

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11 shall must be collected at the time of sale.

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HB 119

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3	of its subdivisions, including cities and towns.
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-End-

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53rd Legislature

HB 0119/02

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3	BY REQUEST OF THE DEPARTMENT OF REVENUE
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11	Section 1. Section 16-1-410, MCA, is amended to read:
12	"16-1-410. (Temporary) Tax revenue allocation. (1)
13	Subject to 15-1-422, all revenue received from taxes on beer
14	under 16-1-406 and 16-1-408 over and above \$1.50 per barrel
15	of 31 gallons shall must be deposited with the state
16	treasurer to the credit of the incorporated cities and towns
17	beer tax account in the state special revenue fund. The
18	money in the account is statutorily appropriated, as
19	provided in 17-7-502, to the state-tressurer DEPARTMENT who
20	shall, monthly, distribute this amount of money to the
21	incorporated cities and towns in the direct proportion that
22	the population of each city and town bears to the total
23	population of all incorporated cities and towns as shown in
24	the latest official federal census as adjusted by the most
25	recent population estimates published by the U.S. bureau of

1 the census. For cities and towns incorporated after the 2 latest official federal census, the census shall must be 3 determined as of the date of incorporation as evidenced by 4 the certificate of the incorporating officials of that city or town. If a city or town disincorporates, it may not 5 receive any funds under this section and the amount 6 7 previously distributed to the city or town shall must be . distributed to the remaining incorporated cities and towns. 9 All funds received by cities and towns under this section 10 shall must be expended for state purposes, such as law 11 enforcement, maintenance of the transportation system, and 12 public health. 13 (2) The department may adjust population estimates only

14 on the July 1 following the date of publication of the 15 <u>estimates</u> by the U.S. bureau of the census. The adjusted 16 <u>distribution formula must remain in effect for the entire</u> 17 <u>fiscal year.</u>

18 16-1-410. (Effective on receipt of taxes or fees for September 1993) Tax revenue allocation. (1) All revenue 19 20 received from taxes on beer under 16-1-406 and 16-1-408 over 21 and above \$1.50 per barrel of 31 gallons shall must be 22 deposited with the state treasurer to the credit of the 23 incorporated cities and towns beer tax account in the state 24 special revenue fund. The money in the account is 25 statutorily appropriated, as provided in 17-7-502, to the

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state-treasurer DEPARTMENT who shall, monthly, distribute 1 this amount of money to the incorporated cities and towns in 2 3 the direct proportion that the population of each city and 4 town bears to the total population of all incorporated cities and towns as shown in the latest official federal 5 6 census as adjusted by the most recent population estimates 7 published by the U.S. bureau of the census. For cities and towns incorporated after the latest official federal census. 8 the census shall must be determined as of the date of 9 incorporation as evidenced by the certificate of the 10 incorporating officials of that city or town. If a city or 11 12 town disincorporates, it may not receive any funds under this section and the amount previously distributed to the 13 city or town shall must be distributed to the remaining 14 15 incorporated cities and towns. All funds received by cities 16 and towns under this section shall must be expended for 17 state purposes, such as law enforcement, maintenance of the 18 transportation system, and public health.

19 (2) The department may adjust population estimates only 20 on the July 1 following the date of publication of the 21 estimates by the U.S. bureau of the census. The adjusted 22' distribution formula must remain in effect for the entire 23 fiscal year."

Section 2. Section 16-1-411, MCA, is amended to read:
 "16-1-411. (Temporary) Tax on wine. (1) A tax of 27

cents per liter is hereby-levied-and imposed on table wine
 imported by any a table wine distributor or the department.

3 (2) (a) The tax on table wine imported by a table wine 4 distributor shall <u>must</u> be paid by the table wine distributor 5 by the 15th day of the month following sale of the table 6 wine from the table wine distributor's warehouse. Failure to 7 file a table wine tax return or failure to pay the tax 8 required by this section subjects the table wine distributor 9 to the penalties and interest provided for in 16-1-409.

(b) The tax on table wine imported by the department
ahell must be collected at the time of sale.

12 (3) The tax paid by a table wine distributor in 13 accordance with subsection (2)(a) and the tax collected by 14 the department in accordance with subsection (2)(b) shall 15 <u>must</u> be distributed as follows:

16 (a) 16 cents to the state general fund; and

17 (b) of the remaining 11 cents:

18 (i) 8.34 cents to the state special revenue fund to the
19 credit of the department of corrections and human services
20 for the treatment, rehabilitation, and prevention of
21 alcoholism;

(ii) 1 1/3 cents is statutorily appropriated, as
provided in 17-7-502, to the department, for allocation to
the counties, based on population, for the purpose
established in 16-1-404; and

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(iii) 1 1/3 cents is statutorily appropriated, as
 provided in 17-7-502, to the department, for allocation to
 the cities and towns, based on population, for the purpose
 established in 16-1-405.

5 (4) The taxes computed and paid in accordance with 6 16-1-423, 16-2-301, and this section shall-be are the only 7 taxes imposed by the state or any of its subdivisions, 8 including cities and towns.

9 (5) The proceeds of the surtax imposed by 16-1-423 must
10 be deposited in the state general fund.

11 (6) For purposes of this section "based on population" 12 means:

13 (a) for counties, the direct proportion that the 14 population of each county bears to the total population of 15 all counties as shown in the latest official federal census 16 as adjusted by the most recent population estimates 17 published by the U.S. bureau of the census as provided in 18 16-1-410(2); and

19 (b) for cities, the distribution described in 16-1-410.
20 16-1-411. (Effective on receipt of taxes or fees for
21 September 1993) Tax on wine. (1) A tax of 27 cents per liter
22 is hereby-levied-and imposed on table wine imported by any a
23 table wine distributor or the department.

(2) (a) The tax on table wine imported by a table wine
 distributor shall must be paid by the table wine distributor

by the 15th day of the month following sale of the table
 wine from the table wine distributor's warehouse. Failure to
 file a table wine tax return or failure to pay the tax
 required by this section subjects the table wine distributor
 to the penalties and interest provided for in 16-1-409.

6 (b) The tax on table wine imported by the department
7 shell must be collected at the time of sale.

8 (3) The tax paid by a table wine distributor in
9 accordance with subsection (2)(a) and the tax collected by
10 the department in accordance with subsection (2)(b) shall
11 must be distributed as follows:

12 (a) 16 cents to the state general fund; and

13 (b) of the remaining 11 cents:

14 (1) 8.34 cents to the state special revenue fund to the
15 credit of the department of corrections and human services
16 for the treatment, rehabilitation, and prevention of
17 alcoholism;

18 (ii) 1 1/3 cents is statutorily appropriated, as 19 provided in 17-7-502, to the department, for allocation to 20 the counties, based on population, for the purpose 21 established in 16-1-404: and

(iii) 1 1/3 cents is statutorily appropriated, as
provided in 17-7-502, to the department, for allocation to
the cities and towns, based on population, for the purpose
established in 16-1-405.

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1 (4) The tax computed and paid in accordance with this section shall-be is the only tax imposed by the state or any 2 3 of its subdivisions, including cities and towns. (5) For purposes of this section "based on population" 4 5 means: 6 (a) for counties, the direct proportion that the 7 population of each county bears to the total population of 8 all counties as shown in the latest official federal census 9 as adjusted by the most recent population estimates published by the U.S. bureau of the census as provided in 10 11 16-1-410(2); and 12 (b) for cities, the distribution described in 13 16-1-410." NEW SECTION. Section 3. Applicability. 14 [This act] 15 applies to all beer and wine tax revenue recorded on or 16 after July 1, 1993, regardless of when the tax obligation 17 accrued. MEW SECTION. Section 4. Effective date. [This act] is 18

18 <u>MEN SECTION.</u> Section 4. Effective date. [This act] 18 19 effective July 1, 1993.

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