

Chapter 12

Liquor Tax

66.20.010(7) - Sales of liquor to the military

Description Liquor sales by the Liquor Cannabis Board to authorized representatives of military installations are exempt from liquor sales taxes.

Purpose This exemption covered sales of liquor made by state-operated stores. Currently, there is no purpose for this exemption. The military now purchases liquor outside the state and does not collect or remit state liquor taxes.

Taxpayer savings *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption Repealing this exemption would not increase revenues. The military purchases liquor outside the state without collecting or remitting state liquor taxes.

Potential revenue gains from full repeal *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions If repealed, there is no revenue impact. The military purchases liquor outside the state without collecting or remitting state liquor taxes.

Data Sources Liquor and Cannabis Board

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1933
Primary Beneficiaries:	Military installations and personnel
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	No review completed

66.24.290(3)(b) - Microbrewers beer tax exemption

Description Microbreweries are exempt from the \$4.78 per barrel portion of the beer excise tax on the first 60,000 barrels produced yearly.

Purpose To mitigate the impact of a general tax increase in 1993 on a growing local industry.

Taxpayer savings *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$5.395	\$5.449	\$5.504	\$5.559
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$5.000	\$5.504	\$5.559
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

- Assumptions**
- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
 - The revenue impact grows by 1% a year.

Data Sources - Liquor and Cannabis Board, Beer sales to importers and distributors

Additional Information

Additional Information	
Category:	Business
Year Enacted:	1993
Primary Beneficiaries:	Microbreweries
Taxpayer Count:	350
Program Inconsistency:	None evident
JLARC Review:	Expedited review completed in 2014, and a full review completed in 2020