

BILL SUMMARY
1st Session of the 59th Legislature

Bill No.:	HB2349
Version:	Introduced
Request Number:	6207
Author:	Dempsey
Date:	2/17/2023
Impact:	OTC Analysis:
	FY24:Unknown revenue decrease
	FY25:Unknown revenue decrease
	\$14,400 increase in appropriations

Research Analysis

HB2349, as introduced, exempts spirits manufactured in the state for export from alcohol excise tax and provides a lower tax rate equal to 19 cents per liter for spirits with an alcohol-by-volume of less than 15 percent. Currently, all spirit are taxed at \$1.47 per liter.

Prepared By: Quyen Do

Fiscal Analysis

HB2349 proposes to apply the current tax of \$1.47 per liter of spirits only to beverages with than ABV of 15% or more. The measure proposes an excise tax of \$0.19 per liter on spirits with an ABV of less than 15%. HB2349 also provides an exemption for spirits manufactured in Oklahoma for export purposes. This measure is expected to produce a decrease in state revenues. Due to a scarcity of data collected, the extent of that decrease is unknown. The Tax Commission identifies that the modification of the tax system as required by this measure creates an estimated administrative cost of \$14,400.

As provided by the Oklahoma Tax Commission:

The Oklahoma Tax Commission does not presently capture data relating to the alcohol content of spirits reported for tax purposes or the extent to which spirits are manufactured in this state for export. Therefore, the measure will result in an unknown decrease in alcoholic beverage excise tax revenues for FY 24 and FY 25.

To modify the alcoholic beverage excise tax system as required by the amendatory language of this measure, two weeks of development time at a cost of \$14,400 is estimated.

Prepared By: Zachary Penrod, House Fiscal Staff

Other Considerations

None.

