

BILL ANALYSIS

Senate Research Center
82R6684 ALL-F

S.B. 799
By: Nelson
Business & Commerce
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

This bill makes clear that an excise tax is imposed when a winery sells to a consumer or retailer, and not on sales to other wineries or wholesalers. Currently, a tax is imposed on the first sale of wine at a rate of 20.4 or 40.8 cents per gallon, depending on percent alcohol. As a matter of practice, the Texas Alcoholic Beverage Code does not include the sale of wine from a winery to another winery or wholesaler as a "first sale" for the purpose of taxation. This bill codifies that practice.

As proposed, S.B. 799 amends current law relating to the definition of "first sale" for purposes of the taxes imposed on certain liquor.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 201.02, Alcoholic Beverage Code, as follows:

Sec. 201.02. "FIRST SALE" DEFINED. Redefines "first sale" as it applies to all other liquor, to mean the first sale, possession, distribution, or use in this state, except that the term does not include the first sale by the holder of a winery permit to another holder of a winery permit of the holder of a wholesaler's permit.

SECTION 2. Effective date: upon passage or September 1, 2011.