

By: Representative Evans (91st)

To: Ways and Means

HOUSE BILL NO. 82

1 AN ACT TO AMEND SECTIONS 27-71-7 AND 27-71-11, MISSISSIPPI
2 CODE OF 1972, TO INCREASE THE EXCISE TAX AND MARKUP ON ALCOHOLIC
3 BEVERAGES; TO AMEND SECTION 27-71-307, MISSISSIPPI CODE OF 1972,
4 TO INCREASE THE EXCISE TAX ON LIGHT WINE AND BEER; AND FOR RELATED
5 PURPOSES.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

7 **SECTION 1.** Section 27-71-7, Mississippi Code of 1972, is
8 amended as follows:

9 27-71-7. (1) There is hereby levied and assessed an excise
10 tax upon each case of alcoholic beverages sold by the * * *
11 department to be collected from each retail licensee at the time
12 of sale in accordance with the following schedule:

13 (a) Distilled spirits.....\$ * * * 3.75 per gallon

14 (b) Sparkling wine and
15 champagne.....\$ * * * 1.50 per gallon

16 (c) Other wines, including native
17 wines.....\$ * * * 0.525 per

18 gallon



19 (2) (a) In addition to the tax levied by subsection (1) of
20 this section, and in addition to any other markup collected, the
21 Alcoholic Beverage Control Division shall collect a markup
22 of * * * four and one-half percent (4.5%) on all alcoholic
23 beverages, as defined in Section 67-1-5, Mississippi Code of 1972,
24 which are sold by the division. The proceeds of the markup shall
25 be collected by the division from each purchaser at the time of
26 purchase.

27 (b) Until June 30, 1987, the revenue derived from this
28 three percent (3%) markup shall be deposited by the division in
29 the State Treasury to the credit of the "Alcoholism Treatment and
30 Rehabilitation Fund," a special fund which is hereby created in
31 the State Treasury, and shall be used by the Division of Alcohol
32 and Drug Abuse of the State Department of Mental Health and public
33 or private centers or organizations solely for funding of
34 treatment and rehabilitation programs for alcoholics and alcohol
35 abusers which are sponsored by the division or public or private
36 centers or organizations in such amounts as the Legislature may
37 appropriate to the division for use by the division or public or
38 private centers or organizations for such programs. Any tax
39 revenue in the fund which is not encumbered at the end of the
40 fiscal year shall lapse to the General Fund. It is the intent of
41 the Legislature that the State Department of Mental Health shall
42 continue to seek funds from other sources and shall use the funds
43 appropriated for the purposes of this section and Section 27-71-29



44 to match all federal funds which may be available for alcoholism
45 treatment and rehabilitation.

46 From and after July 1, 1987, the revenue derived from * * *
47 the markup provided for in paragraph (a) of this subsection shall
48 be deposited by the division in the State Treasury to the credit
49 of the "Mental Health Programs Fund," a special fund which is
50 hereby created in the State Treasury and shall be used by the
51 State Department of Mental Health for the service programs of the
52 department. Any revenue in the "Alcoholism Treatment and
53 Rehabilitation Fund" which is not encumbered at the end of Fiscal
54 Year 1987 shall be deposited to the credit of the "Mental Health
55 Programs Fund."

56 **SECTION 2.** Section 27-71-11, Mississippi Code of 1972, is
57 amended as follows:

58 27-71-11. The * * * department shall from time to time by
59 resolution request the State Bond Commission to provide sufficient
60 funds required to maintain an adequate alcoholic beverage
61 inventory. Said funds shall be provided under the provisions of
62 Chapter 557, Laws of 1966.

63 The * * * department shall add to the cost of all alcoholic
64 beverages a markup of * * * forty-one and one-quarter percent
65 (41.25%), inclusive of the * * * four and one-half percent (4.5%)
66 markup imposed by Section 27-71-7(2).

67 The * * * department shall sell alcoholic beverages at
68 uniform prices throughout the state.



69 **SECTION 3.** Section 27-71-307, Mississippi Code of 1972, is
70 amended as follows:

71 27-71-307. (1) (a) In addition to the specific tax imposed
72 in Section 27-71-303, there is hereby imposed, levied, assessed
73 and shall be collected, as hereinafter provided, an excise or
74 privilege tax upon each person engaged or continuing in the
75 business of wholesaler or distributor of light wines or beer
76 equivalent to * * * Sixty-four and Two One-hundredths Cents
77 (64.02¢) per gallon upon all light wines and beer acquired for
78 sale or distribution in this state. Such excise or privilege tax
79 is also imposed at the same rate upon each gallon of light wine or
80 beer manufactured by brewpubs, each of which shall accurately and
81 reliably measure the quantity of light wine and beer produced by
82 using a measuring device such as a meter or gauge glass or any
83 other suitable method approved by the commissioner. Such tax is
84 hereby imposed as an additional tax for the privilege of engaging
85 or continuing in business.

86 (b) The excise tax imposed in this section shall be
87 paid to the * * * Department of Revenue monthly on or before the
88 fifteenth day of the month following the month in which the beer
89 or light wine was manufactured or received in this state. Monthly
90 report forms shall be furnished by the commissioner to the
91 wholesalers, distributors and brewpubs.

92 (c) Provided that persons operating a railroad dining
93 car, club car or other car in interstate commerce upon which light



94 wines or beer may be sold and who are licensed under the
95 provisions of Section 67-3-27 and any other law relating to the
96 sale of such beverages shall keep such records of the sales of
97 such light wines and beer in this state as the commissioner shall
98 prescribe and shall submit monthly reports of such sales to the
99 commissioner within fifteen (15) days after the end of each month
100 on a form prescribed therefor by the commissioner, and shall pay
101 the tax due under the provisions of this section at the time such
102 reports are filed.

103 No official crowns, lids, labels or stamps with the word
104 "MISSISSIPPI" or "MS" imprinted thereon or any other evidence of
105 tax payment is required by this section, or may be required under
106 rule or regulation promulgated by the commissioner, to be affixed
107 on or to any part of a beer, light wine or malt cooler bottle, can
108 or other light wine or malt cooler container. For purposes of
109 this section, malt cooler products shall be defined as a flavored
110 malt beverage made from a base of malt beverage and flavored with
111 fruit juices, aromatics and essences of other flavoring in
112 quantities and proportions such that the resulting product
113 possesses a character and flavor distinctive from the base malt
114 beverage and distinguishable from other malt beverages.

115 (2) A licensed wholesaler or distributor of beer or light
116 wine may not import beer or light wine from any source other than
117 a brewer or importer authorized by the commissioner to sell such
118 beer or light wine in Mississippi. Any person who violates the



119 provisions of this subsection, upon conviction thereof, shall be
120 punished by a fine of not more than One Thousand Dollars
121 (\$1,000.00) or by imprisonment in the county jail for not more
122 than six (6) months, or by both such fine and imprisonment, in the
123 discretion of the court and shall be subject to license forfeiture
124 following an appropriate hearing before the * * * Department of
125 Revenue.

126 (3) The wholesaler or distributor shall be allowed credit
127 for tax paid on beer or light wine which is no longer marketable
128 and which is destroyed by same when such destruction is witnessed
129 by an agent of the commissioner and when the amount of the excise
130 tax exceeds One Hundred Dollars (\$100.00). No other loss will be
131 allowed.

132 A brewpub shall be allowed credit for light wine or beer
133 which has passed through the meter, gauge glass or other approved
134 measuring device and which has been soured or damaged. The
135 brewpub shall record the removal of sour or damaged light wine or
136 beer and may take credit after the destruction is witnessed by an
137 agent of the commissioner and when the amount of excise tax
138 exceeds Twenty-five Dollars (\$25.00). No other loss shall be
139 allowed.

140 (4) All manufacturers, brewers and importers of beer or
141 light wine shall file monthly reports as prescribed by the
142 commissioner listing sales to each wholesaler or distributor by



143 date, invoice number, quantity and container size, and any other
144 information deemed necessary.

145 (5) All administrative provisions of the Mississippi Sales
146 Tax Law, including those which fix damages, penalties and interest
147 for nonpayment of taxes and for noncompliance with the provisions
148 of such chapter, and all other requirements and duties imposed
149 upon taxpayers, shall apply to all persons liable for taxes under
150 the provisions of this chapter, and the commissioner shall
151 exercise all the power and authority and perform all the duties
152 with respect to taxpayers under this chapter as are provided in
153 the sales tax law except where there is conflict, then the
154 provisions of this chapter shall control.

155 **SECTION 4.** This act shall take effect and be in force from
156 and after July 1, 2015.

