

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 2183

Short Title: 5¢ Beer Tax Increase.

(Public)

Sponsors: Representatives McLaughlin; Barnhill, Easterling, B. Ethridge, Flaherty, Foster, Gardner, Gist, Lilley, Lutz, and Privette.

Referred to: Finance.

May 31, 1990

A BILL TO BE ENTITLED

AN ACT TO INCREASE THE EXCISE TAX ON BEER BY FIVE CENTS FOR EACH TWELVE OUNCES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-113.80(a) reads as rewritten:

"(a) Beer.— An excise tax is levied on the sale of malt beverages at the rate of:

(1) ~~Forty-eight and three hundred eighty-seven one thousandths cents (48.387¢)~~
One hundred one and seven-tenths cents (101.7¢) per gallon on malt beverages in barrels holding at least seven and three-fourths gallons; and

(2) ~~Fifty-three and three hundred seventy-six one thousandths cents (53.376¢)~~
One hundred six and seven-tenths cents (106.7¢) per gallon on malt beverages in cans, bottles, barrels, or other containers holding less than seven and three-fourths gallons."

Sec. 2. G.S. 105-113.82 reads as rewritten:

"§ 105-113.82. **Distribution of part of beer and wine ~~taxes.~~ taxes to local governments.**

(a) Amount, Method. — The Secretary shall annually distribute the following percentages of the net amount of excise taxes collected on the sale of malt beverages and wine, less the amount of the net proceeds distributed under G.S 105-113.81A, to the counties and cities in which the retail sale of these beverages is authorized:

- 1 (1) Of the tax on malt beverages levied under G.S. 105-113.80(a), ~~twenty-~~
2 ~~three and three-fourths percent (23 3/4%)~~ eleven and eight hundred
3 seventy-five thousandths percent (11.875%);
- 4 (2) Of the tax on unfortified wine levied under G.S. 105-113.80(b), sixty-
5 two percent (62%); and
- 6 (3) Of the tax on fortified wine levied under G.S. 105-113.80(b), twenty-
7 two percent (22%).

8 If malt beverages, unfortified wine, or fortified wine may be licensed to be sold at
9 retail in both a county and a city located in the county, both the county and city shall
10 receive a portion of the amount of excise tax to be distributed, that portion to be
11 determined on the basis of population. If one of these beverages may be licensed to be
12 sold at retail in a city located in a county in which the sale of the beverage is otherwise
13 prohibited, only the city shall receive a portion of the amount of excise tax to be
14 distributed, that portion to be determined on the basis of population. The amounts to be
15 distributed under subdivisions (1), (2), and (3) shall be computed separately.

16 (b) Reduction in Amount Distributed. – Where the sale of malt beverages,
17 unfortified wine, or fortified wine is prohibited in a defined area of a city or county in
18 which the sale of the beverage is authorized, the amount otherwise distributable to the
19 city or county on the basis of population under subsection (a) shall be reduced in the
20 same ratio that the area of the defined area bears to the total area of the city or county,
21 unless the defined area is a city. If the defined area in a county is a city, the reduction in
22 the amount otherwise distributable to the county under subsection (a) shall be based on
23 population instead of area. All reductions shall be retained by the State.

24 (c) Exception. – Notwithstanding subsection (a), in a county in which ABC
25 stores have been established by petition, revenue shall be distributed as though the
26 entire county had approved the retail sale of a beverage whose retail sale is authorized
27 in part of the county.

28 (d) Time. – The distribution shall be made within 60 days after September 30 of
29 each year and shall be based on collections during the preceding 12-month period
30 ending September 30.

31 (e) Population Estimates. – To determine the population of a city or county for
32 purposes of the distribution required by this section, the Secretary shall use the most
33 recent annual estimate of population certified by the State Budget Officer.

34 (f) City Defined. – As used in this section, the term 'city' means a city as defined
35 in G.S. 153A-1(1) or an urban service district defined by the governing body of a
36 consolidated city-county.

37 (g) Use of Funds. – Funds distributed to a county or city under this section may
38 be used for any public purpose."

39 Sec. 3. This act shall become effective July 1, 1990.