



FISCAL NOTE

House Bill 521

Committee: Economic Development and
Tourism

Sponsor: Representative Craig Lipscomb

Analyst: Tiffany Weaver

Date: 04/08/2025

House Bill 521 as introduced could increase receipts to the State General Fund by a board-estimated \$2.5 million annually from license fees established for licenses issued by the Alcoholic Beverage Control (ABC) Board for wholesalers and retailers that distribute and sell mixed spirit beverages. The license fees are as follows:

<u>License Type</u>	<u>Initial & Renewal License Fees</u>
Mixed Spirit Beverage Wholesaler License	\$550 plus \$200 for each additional warehouse
Beer, Wine, and Mixed Spirit Beverage Wholesaler License	\$1,000 plus \$200 for each additional warehouse
Mixed Spirit Expanded Retail License	\$500

This bill could also increase receipts to any county or municipality that levies a complementary local privilege or license tax by an undetermined amount dependent on the rate of such tax and the amount of products sold in the respective locality.

Further, this bill would levy a privilege or excise tax on the sales of mixed spirit beverages at a rate of \$0.029 per ounce or fractional part thereof, which would be distributed as follows:

- State General Fund - 50%
- ABC Board - 50%

According to the Board, the levy of this tax would reduce estimated tax receipts to the various funds where liquor taxes are deposited by an estimated cumulative \$3.1 million annually due to these products currently being taxed in the same manner as liquor.