

February 2, 2009

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1249

Page 1, line 2, replace "farm" with "domestic", replace "section" with "sections", and after "5-03-06" insert "and 5-03-07"

Page 1, line 4, after "commissioner" insert "and the imposition of tax on alcoholic beverages sold in this state"

Page 1, line 8, replace "**Farm**" with "**Domestic**"

Page 1, line 9, replace "farm" with "domestic"

Page 1, line 10, remove "on a farm premises or any other premises"

Page 1, line 11, remove "primarily"

Page 1, line 12, replace "farm" with "domestic"

Page 1, line 14, after the underscored period insert "The state tax commissioner may not issue the domestic distillery license until the applicant has established that the applicant has applied for and obtained the necessary federal registrations and permits, as required under the Internal Revenue Code of 1986 [26 U.S.C. 51] and the federal Alcohol Administration Act [27 U.S.C. 203], for the operation of a distilled spirits plant."

Page 1, line 15, replace "farm" with "domestic"

Page 1, line 19, after the underscored period insert "Direct sales within this state are limited to two and thirty-eight hundredths gallons [9 liters] or less per month for personal use and not for resale. The packaging must conform with the labeling requirements in section 5-01-16."

Page 1, line 21, replace "farm" with "domestic"

Page 1, line 22, after "premises" insert ", but only on contiguous property under common ownership."

Page 1, line 23, after the underscored period insert "The state tax commissioner may issue special events permits for not more than twenty days per calendar year to a domestic distillery allowing the domestic distillery, subject to local ordinance, to give free samples of its product by the glass or enclosed containers, at a designated trade show, convention, festival, or similar event approved by the state tax commissioner." and replace "farm" with "domestic"

Page 2, line 2, after the underscored period insert "However, a domestic distillery may sell distilled spirits to a domestic winery if the distilled spirits were produced from products provided to the domestic distillery by the domestic winery."

Page 2, line 6, replace the first "farm" with "domestic" and replace the second "farm" with "domestic"

Page 2, line 8, replace the first "farm" with "domestic" and replace the second "farm" with "domestic"

Page 2, line 10, replace "farm" with "domestic"

Page 2, line 22, replace "farm" with "domestic"

Page 2, line 24, replace "farm" with "domestic"

Page 2, line 29, replace "farm" with "domestic"

Page 3, line 13, replace "farm" with "domestic"

Page 3, line 15, replace "farm" with "domestic"

Page 3, line 20, replace "farm" with "domestic"

Page 3, after line 22, insert:

**"SECTION 3. AMENDMENT.** Section 5-03-07 of the North Dakota Century Code is amended and reenacted as follows:

**5-03-07. Imposition of tax - Rate.** A tax is hereby imposed upon all alcoholic beverage wholesalers, domestic wineries, domestic distilleries, microbrew pubs, and direct shippers for the privilege of doing business in this state. The amount of this tax shall be determined by the gallonage according to the following schedule:

Beer in bulk containers - per wine gallon	\$.08 (.021 per liter)
Beer in bottles and cans - per wine gallon	.16 (.042 per liter)
Wine containing less than 17% alcohol by volume - per wine gallon	.50 (.132 per liter)
Wine containing 17%-24% alcohol by volume - per wine gallon	.60 (.159 per liter)
Sparkling wine - per wine gallon	1.00 (.264 per liter)
Distilled spirits - per wine gallon	2.50 (.66 per liter)
Alcohol - per wine gallon	4.05 (1.07 per liter)"

Renumber accordingly