

**FISCAL NOTE**  
**SENATE BILL NO. 2377**  
**LC# 23.1111.02000**  
**02/03/2023**

## 1 - State Fiscal Effect

*Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2021-2023 Biennium		2023-2025 Biennium		2025-2027 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

## 2 - County, City, School District, and Township Fiscal Effect

*Identify the fiscal effect on the appropriate political subdivision.*

	2021-2023 Biennium	2023-2025 Biennium	2025-2027 Biennium
Counties			
Cities			
School Districts			
Townships			

## 3 - Bill and Fiscal Impact Summary

*Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Engrossed SB 2377 amends and reenacts state-tribal agreements for the administration and collection of alcoholic beverages wholesale and gross receipt tax within the exterior boundaries of a reservation in this state.

## 4 - Fiscal Impact Sections Detail

*Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 3 of engrossed SB 2377 allows a tribe or tribes to impose a tax equal to the state's alcoholic wholesale taxes on all sales of alcoholic beverages sold by licensed wholesalers, domestic wineries, domestic distilleries, microbrew pubs, brewer taproom licensees, and direct shippers. The tax revenue collected from taxable transactions and activities must be allocated 80% to the tribe and 20% to the state.

Section 4 of engrossed SB 2377 allows a tribe or tribes to impose a tax equal to the state's alcoholic beverages gross receipts tax on all sales of retail alcoholic beverages. The tax revenue collected from taxable transactions and activities must be allocated 80% to the tribe and 20% to the state.

## **5 - Revenues Detail**

*For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

If enacted, engrossed SB 2377 could create an increase in the state general fund and state aid distribution fund. The increase in revenue is dependent on several undetermined factors. This includes the date on which tribes enter into an agreement with the state, when the agreement will become effective, as well as the amount of taxable sales made. Due to these factors, the Office of State Tax Commissioner is unable to provide a reliable estimate for this revenue reduction amount.

## **6 - Expenditures Detail**

*For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

## **7 - Appropriations Detail**

*For information shown under state fiscal effect in 1 or 2, please explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

## **Contact Information**

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