

(Prepare in triplicate)

FISCAL NOTE

Prepared in regard to:

Senate Bill 89

(list bill or resolution and number, if available, or subject)

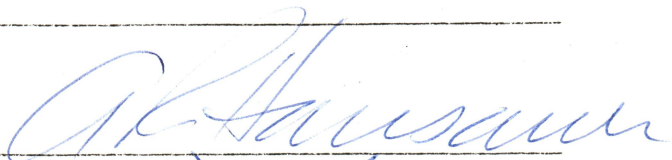
Amendment to: _____
(list bill or resolution and number)

REQUESTED BY: L.R.C. DATE OF RECEIPT January 6 1969

In the following space note the fiscal effect in dollars of the legislative proposal. If additional space is needed attach a supplementary sheet. Please type.

See attached sheet.

Date of preparation: 1-13-69

Signed 

Typed name Kenneth H. Jakes, Chief Legal Counsel

Department State Tax Department

Senate Bill 89:

For many years we have tried to find a source of information that would show the dollar amount of annual retail sales of liquor sold in bottles, annual retail sales of mixed drinks, and annual retail sales of beer but no such figures are available.

Based on the gallonage taxes collected by the state treasurer on liquor, we have converted the gallons of liquor taxed to an estimated retail sales volume that is divided into liquor sold in bottles and liquor sold over the bar. On the basis of these estimates it is believed that a 3% sales tax on the sales of mixed drinks would produce revenue of at least \$1,000,000 per year, but that in order to collect that amount a strong, adequately financed enforcement program of the Tax Department would be necessary.

The 3% sales tax on mixed drinks has actually been required only since January 1, 1968, following notice by the Tax Department to all of the on sale liquor establishments of the Attorney General's opinion in late 1967 that mixed drinks were subject to sales tax. We do not yet have statistics available for the full year of 1968 showing the amount of sales tax remitted by on-sale liquor establishments; a survey of some of the returns filed for the first three quarters of 1968 would seem to indicate that sales tax on mixed drinks is not being adequately reported.