

(Return in triplicate)

FISCAL NOTE

Bill/Resolution No.: House Bill No. 1359 Amendment to: \_\_\_\_\_

Requested by: Legislative Council Date of Receipt: \_\_\_\_\_

Please estimate the fiscal impact of the above measure for:

State general or special funds       Counties       Cities

In the following space note the fiscal effect in dollars of this measure:

Narrative:

The alcohol beverage tax has been steadily declining over the past four years at the current tax rates. Studies have shown that additional tax increases on the product actually reduce the gallonage sold.

This fiscal note only takes into account the approximate 5% reduction as it is occurring at the present.

An unknown amount of loss in income to the State's General Fund could occur with the addition of more tax as there could be a reduction in the gallonage sold.

A rippling effect most likely will occur in the sales tax area as there will be less sold at the retail level, thus lessening the amount of sales tax for the General Fund.

(continued on attached sheet)

State Fiscal Effect:

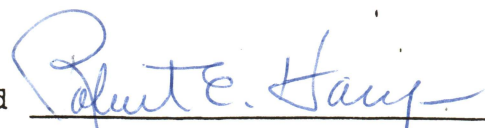
1985-86		1986-87		Biennium Total	
<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>
	*		*		*

\*See narrative

County and City Fiscal Effect:

1985-86		1986-87		Biennium Total	
<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>
	\$+969,327		\$+921,201		\$+1,890,528

If additional space is needed, attach a supplemental sheet.

Signed 

Typed Name Robert E. Hanson

Date prepared: January 28, 1985

Department State Treasurer

Attachment to Fiscal Note for HB 1359

In addition, this program would cost the State Treasurer's Office an additional \$1,578 in operating costs for the biennium to initiate and keep the program operational. The State Treasurer's budget does not have any money for this program.