

Testimony in Opposition to HB1303

1. Who am I?
 - a. Hunter Jerome
 - i. 5th generation family member in the beverage and alcohol industry
 - b. General Manager of Jerome Distributing Inc
 - c. We employ 55 people in Bismarck and Dickinson.
2. **Please feel free to jump in and ask any questions as I go along.**
3. Introduction and overview of the 3-tier system
 - a. Beer, wine, and liquor are 3 distinctly different alcohol bases and have consistently been taxed to reflect those differences.
4. Explanation of who collects the state excise tax.
 - a. 16 ND family-owned beer distributors
 - b. 3 liquor distributors
5. Scenario of how this would play out based on what I have seen in other states around the country.
 - a. Tax is changed.
 - b. Supplier raises distributors cost to roughly the same amount of what the tax went down
 - c. The distributors' margin stays the same.
 - d. Nothing changes for the retail customer or the consumer in regards to pricing.
 - e. The supplier is the one who makes the most money.
 - f. The state of ND collects less tax revenue.
6. Federal excise tax relief that was passed in 20?? Was not passed on to the distributors which was not then in turn passed on to the consumer
7. RTDs are growing within the current structure already across the country and the state.
8. Beer distributors contributed
 - a. \$34.6 million in wages and salaries
 - b. \$104.3 million in economic impact
 - c. \$8.1 million in capital expenditures
 - d. \$125.7 million in federal, state, and local taxes
9. Conclusion:
 - a. This would not help the distributors.
 - b. This would not help the ND consumer.
 - c. The state would collect less tax revenue.