HOUSE BILL NO. 124

INTRODUCED BY J. BERGSTROM

BY REQUEST OF THE DEPARTMENT OF REVENUE

A BILL FOR AN ACT ENTITLED: “AN ACT REVISING THE COLLECTION OF TAXES ON BEER, WINE, AND HARD CIDER FROM MONTHLY TO QUARTERLY; AMENDING SECTIONS 16-1-406 AND 16-1-411, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE.”

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 16-1-406, MCA, is amended to read:

"**16-1-406. Taxes on beer.** (1) (a) A tax is imposed on each barrel of 31 gallons of beer sold in Montana by a wholesaler. A barrel of beer equals 31 gallons. The tax is based ~~upon~~ on the total number of barrels of beer produced by a brewer in a year. A brewer who produces ~~less~~ fewer than 10,000 barrels of beer a year is taxed on the following increments of production:

(i) up to 5,000 barrels, $1.30;

(ii) 5,001 barrels to 10,000 barrels, $2.30.

(b) The tax on beer sold for a brewer who produces over 10,000 barrels is $4.30.

(2) The tax imposed pursuant to subsection (1) is due at the end of each ~~month~~ quarter from the wholesaler ~~upon~~ on beer sold by the wholesaler during that ~~month~~ quarter. The department shall compute the tax due on beer sold in containers other than barrels or in barrels of more or less capacity than 31 gallons.

(3) Each quarter, in accordance with the provisions of 17-2-124, of the tax collected pursuant to subsection (1), an amount equal to:

(a) 23.26% must be deposited in the state treasury to the credit of the department of public health and human services for the treatment, rehabilitation, and prevention of alcoholism and chemical dependency; and

(b) the balance must be deposited in the state general fund."

Section 2. Section 16-1-411, MCA, is amended to read:

"**16-1-411. Tax on wine and hard cider -- penalty and interest.** (1) (a) A tax of 27 cents per liter is imposed on sacramental wine and table wine, except hard cider, imported by a table wine distributor and on table wine shipped directly to consumers or licensed retailers by a winery registered or licensed pursuant to 16-4-107.

(b) A tax of 3.7 cents per liter is imposed on hard cider imported by a table wine distributor and on hard cider shipped directly to licensed retailers by a winery licensed pursuant to 16-4-107.

(2) The tax imposed in subsection (1) must be paid as follows:

(a) A winery registered pursuant to 16-4-107 that sells more than 1,000 liters of sacramental wine, table wine, or hard cider, in any combination, to consumers in the state during a period beginning October 1 and ending September 30 shall electronically file a wine tax return or a hard cider tax return, or both, and pay the tax on a ~~monthly~~ quarterly basis on or before the 15th day of each ~~month~~ quarter during the following period that begins October 1 and ends September 30.

(b) A winery registered pursuant to 16-4-107 that sells 1,000 liters or less of sacramental wine, table wine, or hard cider, in any combination, to consumers in the state during a period beginning October 1 and ending September 30 shall electronically file a wine tax return or a hard cider tax return, or both, and pay the tax on or before October 15 of the following period that begins October 1 and ends September 30.

(c) A winery licensed pursuant to 16-4-107 that sells sacramental wine, table wine, or hard cider to consumers or licensed retailers in the state shall electronically file a wine tax return or a hard cider tax return, or both, and pay the tax on ~~a monthly~~ quarterly basis on or before the 15th of each ~~month~~ quarter for sales in the previous ~~month~~ quarter.

(d) A table wine distributor that sells sacramental wine, table wine, or hard cider in the state shall electronically file a wine tax return or a hard cider tax return, or both, and pay the tax on a ~~monthly~~ quarterly basis on or before the 15th day of each ~~month~~ quarter for sales in the previous ~~month~~ quarter.

(3) Failure to electronically file a tax return or failure to pay the tax required by this section subjects the winery or the table wine distributor to the penalties and interest provided for in 15-1-216.

(4) The tax paid by a winery or by a table wine distributor in accordance with subsection (2) must, in accordance with the provisions of 17-2-124, be distributed as follows:

(a) 69% to the state general fund; and

(b) 31% to the state special revenue fund to the credit of the department of public health and human services for the treatment, rehabilitation, and prevention of alcoholism and chemical dependency.

(5) The tax computed and paid in accordance with this section is the only tax imposed by the state or any of its subdivisions, including cities and towns.

(6) For purposes of this section, "table wine" has the meaning assigned in 16-1-106~~,~~ but does not include hard cider."

NEW SECTION. **Section 3. Effective date.** [This act] is effective July 1, 2023.

NEW SECTION. **Section 4. Applicability.** [This act] applies to beer, sacramental wine, table wine, or hard cider sold on or after July 1, 2023.

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