

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
74th Oregon Legislative Assembly
2007 Legislative Revenue Office

Bill Number:	HB 2677 B
Revenue Area:	Wine Taxes
Economist:	Mazen Malik
Date:	06/06/2007

Measure Description:

Allows the Oregon Liquor Control Commission to issue a wine self-distribution permit to a wine or cider manufacturer based within the United States. Establishes that a permit holder is responsible for paying privilege tax and maintaining records as established in current statute for all wine and cider sold and transported to retailers, and must post bond or other security of at least \$1000. Allows a self-distribution permit holder to sell at wholesale and transport wine or cider that the manufacturer produces directly to the commission, or to retail licensees who hold a valid endorsement issued by the commission authorizing the receipt of wine or cider from the permit holder. Requires retailers to report monthly regarding wine or cider received from self-distribution permit holder. Exempts full and limited on-premises retail licensees from reporting the receipt of less than two cases of wine per month from an individual permit holder.

Revenue Impact:

Small negative impact of less than \$50,000.

Impact Explanation:

The measure clarifies that self-distribution permit holders can only sell wine or cider that they directly produce to the OLCC to retailers who have been approved to receive shipments. Both the permit holder and the retailer are responsible for maintaining records pertaining to shipments and deliveries. Retailers are required to report monthly regarding the amount of wine received from permit holders; full or limited on-premises licensees (i.e. bars and restaurants) are exempt from reporting deliveries of less than two cases of wine from an individual permit holder. The permit holder is responsible for paying privilege taxes and following other statutes relating to wineries and the wine industry. Accordingly, the small amounts allowed might start trading outside the stream of taxation

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