

House Bill 2125

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Revenue)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Increases privilege taxes imposed upon manufacturer or importing distributor of malt beverages or wine. Applies to manufacture or distribution of malt beverages or wine occurring on or after January 1, 2020.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to taxes imposed on alcoholic beverages; creating new provisions; amending ORS 473.030
3 and 473.035; prescribing an effective date; and providing for revenue raising that requires ap-
4 proval by a three-fifths majority.

5 **Be It Enacted by the People of the State of Oregon:**

6 **SECTION 1.** ORS 473.030 is amended to read:

7 473.030. (1) A tax is imposed upon the privilege of engaging in business as a manufacturer or
8 as an importing distributor of malt beverages at the rate of [*\$2.60*] **\$7.80** per barrel of 31 gallons on
9 all such beverages.

10 (2) A tax is imposed upon the privilege of engaging in business as a manufacturer or as an im-
11 porting distributor of wines at the rate of [*65 cents*] **\$1.18** per gallon on all such beverages.

12 (3) In addition to the tax imposed by subsection (2) of this section, a manufacturer or an im-
13 porting distributor of wines containing more than 14 percent alcohol by volume shall be taxed at the
14 rate of 10 cents per gallon.

15 (4) In addition to the taxes imposed by subsections (2) and (3) of this section, a manufacturer
16 or an importing distributor of wines shall be taxed at the rate of two cents per gallon.
17 Notwithstanding any other provision of law, all moneys collected by the Oregon Liquor Control
18 Commission pursuant to this subsection shall be paid into the account established by the Oregon
19 Wine Board under ORS 182.470.

20 (5) The rates of tax imposed by this section upon malt beverages apply proportionately to
21 quantities in containers of less capacity than those quantities specified in this section.

22 (6) The taxes imposed by this section shall be measured by the volume of wine or malt beverages
23 produced, purchased or received by any manufacturer. If the wine or malt beverage remains unsold
24 and in the possession of the producer at the plant where it was produced, no tax imposed or levied
25 by this section is required to be paid until the wine or malt beverage has become sufficiently aged
26 for marketing at retail, but this subsection shall not be construed so as to alter or affect any pro-
27 vision of this chapter relating to tax liens or the filing of statements.

28 **SECTION 2.** ORS 473.035 is amended to read:

29 473.035. (1) A tax is imposed upon the privilege of engaging in business as a manufacturer or
30 as an importing distributor of cider at the rate of \$2.60 per barrel of 31 gallons on all such

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 beverages.

2 [(2) *Notwithstanding subsection (1) of this section or any other provision of law, the taxation of the*
3 *manufacturing or distribution of cider shall be at a rate that is not less than the rate imposed for the*
4 *privilege of manufacturing or distributing malt beverages under ORS 473.030 (1).]*

5 [(3)] (2) The rate of tax imposed by this section shall apply proportionately to quantities in
6 containers of less capacity than those quantities specified in this section.

7 [(4)] (3) The tax imposed by this section shall be measured by the volume of cider produced,
8 purchased or received by any manufacturer. If the cider remains unsold and in the possession of the
9 producer at the plant where it was produced, no tax imposed or levied by this section is required
10 to be paid until the cider has become sufficiently aged for marketing at retail, but this subsection
11 shall not be construed so as to alter or affect any provision of this chapter relating to tax liens or
12 the filing of statements.

13 **SECTION 3. The amendments to ORS 473.030 and 473.035 by sections 1 and 2 of this 2019**
14 **Act apply to the manufacture or distribution of malt beverages or wine occurring on or after**
15 **January 1, 2020.**

16 **SECTION 4. This 2019 Act takes effect on the 91st day after the date on which the 2019**
17 **regular session of the Eightieth Legislative Assembly adjourns sine die.**

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