



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number:	LLS 22-0169	Date:	September 1, 2022
Prime Sponsors:	Rep. Bird; Woog Sen. Kolker; Liston	Bill Status:	Signed into Law
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Bill Topic: INCREASE ALCOHOL BEVERAGE EXCISE TAX EXEMPTION

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue	<input checked="" type="checkbox"/> TABOR Refund
<input type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill expands the current excise tax exemption for alcohol brought by air passengers into the state from a foreign country. It is expected to minimally reduce General Fund revenue beginning in FY 2022-23.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the enacted bill. It was recommended by the Legislative Oversight Committee Concerning Tax Policy.

Summary of Legislation

The bill expands the current excise tax exemption for alcohol brought by air passengers into the state from a foreign country to alcohol brought into the state by any means, and increases the exempt quantities from up to one gallon, or 4 liters to:

- 2.25 gallons of malt liquor and hard cider;
- 9 liters of vinous liquor; and
- 6 liters of spirituous liquor.

Background

The Liquor Enforcement Division in the Department of Revenue applies the State's laws regulating beer, wine, and liquor, and the taxation division is responsible for collecting the excise tax on these products. The department currently enforces the existing limit on alcohol brought into the state.

State Revenue

Data are not currently collected on revenue from this tax. Very few people in the state currently pay excise tax on out-of-state purchases of alcohol brought into the state by any means, including by air. The bill is expected to minimally reduce General Fund revenue beginning in FY 2022-23.

TABOR Refund

The bill is expected to minimally decrease the amount of state revenue required to be refunded to taxpayers when the state is in a TABOR refund situation. Because TABOR refunds are paid from the General Fund, decreased General Fund revenue will lower the TABOR refund obligation, but result in no net change to the amount of General Fund otherwise available to spend or save.

Effective Date

The bill was signed into law by the Governor on March 24, 2022, and it took effect on August 9, 2022.

State and Local Government Contacts

Information Technology

Revenue

Personnel