



Ohio Legislative Service Commission

Shannon Pleiman

Fiscal Note & Local Impact Statement

Bill: H.B. 68 of the 131st G.A.

Date: June 23, 2015

Status: As Introduced

Sponsor: Rep. Ramos

Local Impact Statement Procedure Required: No

Contents: Increases the legally permitted alcohol content of beer from 12% to 21%

State Fiscal Highlights

- The bill may minimally increase merchandising costs for the Department of Commerce. Any costs would be paid from the State Liquor Regulatory Fund (Fund 5LP0).
- The bill could increase the supply of beer in the market, thus minimally increasing the amount collected from the beer excise tax. The tax revenue is credited to the General Revenue Fund.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

The bill increases the legally permitted alcohol content of beer from 12% to 21%. Beginning on the bill's effective date, beer manufacturers (A-1 or A-1c liquor permit holders) located in Ohio may manufacture beer containing not more than 21% of alcohol by volume, but any such beer may not be sold or distributed for one year after the effective date. Additionally, the bill prohibits the inclusion of caffeine or other stimulants (including guarana, ginseng, or taurine) in beer containing more than 12% of alcohol by volume.

The Division of Liquor Control (DOLC) within the Department of Commerce controls the manufacture, distribution, licensing, regulation, and merchandising of beer, wine, and spirituous liquor. As a result of the bill, it may increase the number of products that DOLC would be responsible for merchandising and may minimally increase administrative costs. However, any costs would be paid from the State Liquor Regulatory Fund (Fund 5LP0). Fund 5LP0 receives 45% of the liquor permit fees that are deposited into the Undivided Liquor Fund (Fund 7066).

Additionally, the state of Ohio collects a beer excise tax. The bill could increase the supply of beer not currently available in the market. As a result, this would minimally increase the amount of tax collected by the state. The current beer excise tax on a container of 12 ounces or less is \$0.0014 per ounce. The tax revenue is credited to the General Revenue Fund.