

## Budget Brief – Liquor Profit Distribution Line Item

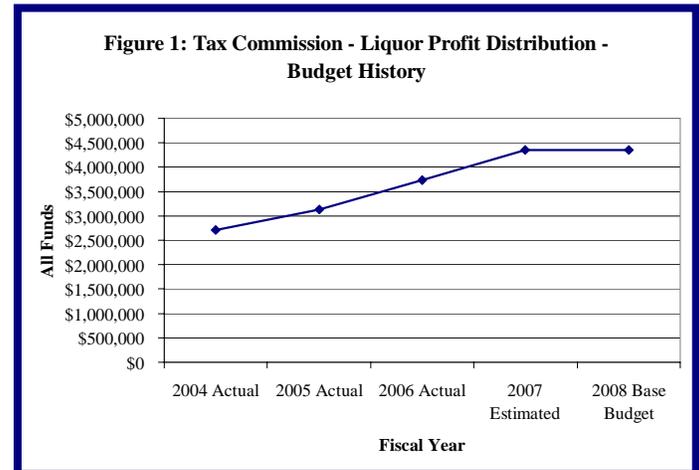
NUMBER EDR-15-07

### SUMMARY

This Liquor Profit Distribution line item accounts for revenue generated by the Beer Excise Tax that is collected by the Tax Commission and distributed to local governments.

As specified in UCA 32a-1-115, *Alcoholic Beverage Enforcement and Treatment Restricted Account*, the distribution formula for these funds is:

- 25 percent to cities, counties and towns based on population;
- 30 percent to cities, counties and towns based on alcohol related convictions;
- 20 percent to cities, counties and towns based on the number of liquor stores;
- 25 percent to counties for facilities based on population.



### ISSUES AND RECOMMENDATIONS

#### *Alcoholic Beverage Enforcement and Treatment Restricted Account Increase*

Under UCA 59-15-109, the Tax Commission is required to deposit the greater of 40 percent of the Beer Excise Tax collected 2 years prior or \$4,350,000 to the Alcoholic Beverage Enforcement and Treatment Restricted Account; UCA 32A-1-115(3) requires the Legislature to appropriate each fiscal year an amount equal to at least the amount deposited. For FY 2008, the Legislature must appropriate at least \$634,800 to bring the current appropriation to the FY 2006 deposit level of \$4,984,800.

The Analyst recommends approving the \$634,800 increase from the Alcoholic Beverage Enforcement and Treatment Account to the Tax Commission Liquor Profit Distribution line item.

### BUDGET DETAIL

Figure 1 and the table on the following page show budget details for the Liquor Profit Distribution line item. The line item accounts only for pass-through of Beer Excise Tax revenue to local governments.

## Tax Commission - Liquor Profit Distribution

	FY 2006 Actual	FY 2007 Appropriated	Changes	FY 2007 Revised	Changes	FY 2008* Base Budget
<b>Sources of Finance</b>						
GFR - Alc Bev Enf & Treatment	3,741,900	4,350,000	0	4,350,000	0	4,350,000
<b>Total</b>	<b>\$3,741,900</b>	<b>\$4,350,000</b>	<b>\$0</b>	<b>\$4,350,000</b>	<b>\$0</b>	<b>\$4,350,000</b>
<b>Programs</b>						
Liquor Profit Distribution	3,741,900	4,350,000	0	4,350,000	0	4,350,000
<b>Total</b>	<b>\$3,741,900</b>	<b>\$4,350,000</b>	<b>\$0</b>	<b>\$4,350,000</b>	<b>\$0</b>	<b>\$4,350,000</b>
<b>Categories of Expenditure</b>						
Other Charges/Pass Thru	3,741,900	4,350,000	0	4,350,000	0	4,350,000
<b>Total</b>	<b>\$3,741,900</b>	<b>\$4,350,000</b>	<b>\$0</b>	<b>\$4,350,000</b>	<b>\$0</b>	<b>\$4,350,000</b>

\*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.

**LEGISLATIVE ACTION**

The Analyst recommends the following budget action for the Tax Commission Administration Line Item:

- Adopt a base budget totaling \$4,350,000 for the Liquor Profit Distribution line item.
- Approve an increase to the FY 2008 base budget for the Liquor Profit Distribution line item of \$634,800 General Fund Restricted, Alcoholic Beverage Enforcement and Treatment Account.