

Budget Brief – Liquor Profit Distribution Line Item

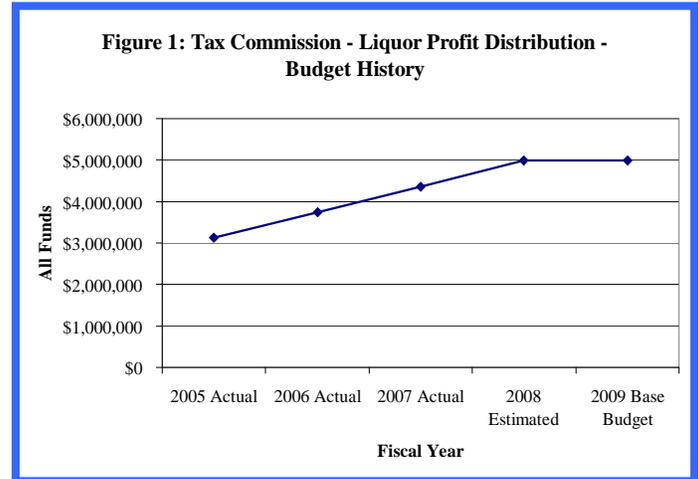
NUMBER EDR 08-03

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. In the 2007 General Session the Legislature appropriated \$634,800, in order to bring the deposit level up to \$4,984,800, matching 40% of the FY 2006 beer tax collection amount. Based on FY2007 totals, 40% of this tax was \$5,425,600, so an additional \$440,800 is needed to comply with statute.

BUDGET DETAIL

The table below shows 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.

BUDGET DETAIL TABLE

Tax Commission - Liquor Profit Distribution						
Sources of Finance	FY 2007 Actual	FY 2008 Appropriated	Changes	FY 2008 Revised	Changes	FY 2009* Base Budget
GFR - Alc Bev Enf & Treatment	4,350,000	4,984,800	0	4,984,800	0	4,984,800
Total	\$4,350,000	\$4,984,800	\$0	\$4,984,800	\$0	\$4,984,800
Programs						
Liquor Profit Distribution	4,350,000	4,984,800	0	4,984,800	0	4,984,800
Total	\$4,350,000	\$4,984,800	\$0	\$4,984,800	\$0	\$4,984,800
Categories of Expenditure						
Other Charges/Pass Thru	4,350,000	4,984,800	0	4,984,800	0	4,984,800
Total	\$4,350,000	\$4,984,800	\$0	\$4,984,800	\$0	\$4,984,800

*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 Liquor Profit Distribution Line Item:

- Put on a priority list an additional \$440,800 for deposit into the Alcohol Beverage Enforcement & Treatment Restricted Account.