

# Department of Finance and Administration

## Legislative Impact Statement

**Bill:** HB1162

**Amendment Number:** H2

**Bill Subtitle:** TO AMEND THE LAW REGARDING MICROBREWERY-RESTAURANTS; AND TO AUTHORIZE MICROBREWERY-RESTAURANTS TO MANUFACTURE AND SELL READY-TO-DRINK PRODUCT.

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### **Basic Change :**

**Sponsors:** Reps. Ray and G. Hodges; Sens. Boyd and English

**House Amendment No. 2** --- HB1162-H2 (engrossed H2/2/23) removes the levy of the \$7.50 per barrel tax on the "ready-to-drink product" produced by a microbrewery-restaurant.

**House Amendment No. 1** --- HB1162-H1 (engrossed H1/26/23) clarifies that a "ready-to-drink product" manufactured at a separate brewing facility may only be sold to a licensed wholesaler.

**Original Bill** --- HB1162 expands the types of alcoholic beverages that a microbrewery-restaurant may produce and sell. Under current law, a microbrewery-restaurant is authorized to brew beer, cider, and malt beverage for consumption on or off-premises of the restaurant. HB1162 allows a microbrewery-restaurant to also manufacture a ready-to-drink product. A "ready-to-drink product" is defined as a "product containing spirituous liquor with a final finished product of no greater than 15% alcohol by weight."

### **Revenue Impact :**

Revenue impact unknown.

### **Taxpayer Impact :**

A microbrewery-restaurant license holder will be allowed to manufacture and sell ready-to-drink products. The ready-to-drink products produced by a separate brewing facility of a microbrewery-restaurant licensee are to be sold only to a licensed wholesaler.

### **Resources Required :**

Programming changes to Arkansas Integrated Revenue System (AIRS) will be required at an estimated cost \$13,000.00.

### **Time Required :**

Adequate time is allowed for implementation.

### **Procedural Changes :**

The liquor return will have to be amended to include ready-to-drink products as an option.

### **Other Comments :**

None.

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### Legal Analysis :

None.