Department of Finance and Administration

Legislative Impact Statement

Bill: HB1739Amendment Number: H1 (3/17/15 Engrossment)Bill Subtitle: TO AMEND THE LAW REGARDING THE SHIPPING OF WINE.

Basic Change : Sponsor: Representative Vines

The proposal would remove the requirement for a consumer to be physically present at a winery when purchasing wine that is to be shipped to a private residence. The proposal would be effective ninety (90) days after adjournment.

Revenue Impact :

None

Taxpayer Impact :

Wineries would be required to make a reasonable effort to determine if the purchaser is twenty-one (21) years old before making a shipment to a private residence.

Resources Required :

None

Time Required :

Adequate time is allowed

Procedural Changes :

None

Other Comments :

The Streamlined Sales Tax Agreement requires that state and local tax bases be uniform unless otherwise prohibited by federal law. HB1739 reestablishes the section of our statute that permitted wineries to not collect local sales taxes. Current state law violates the provisions of the Agreement and risks the loss of state revenues collected under that Agreement. This change will allow the State of Arkansas to be in compliance with the Agreement and eliminate the risk of losing state revenues.

Legal Analysis :

HB1739-H1 deletes the requirement that a consumer to be physically present at the winery to purchase vinous liquor to be shipped into or within the state, and to provide identification proving the consumer is 21 years or older. HB1739-H1 also amends state law regarding direct shipment of vinous liquor to a private residence. The Bill provides that a winery within or without this state may ship to a private residence in this state. Further, this Bill deletes the limitation that a winery may only ship one (1) case of vinous liquor per consumer in any calendar quarter. Instead, before shipping wine, a winery shall make all reasonable efforts to ensure the recipient is 21 years or older.