

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANSThe meeting was called to order by Senator Paul Hess at  
Chairperson8:00 a.m./p.m./ on April 8, 1983, 19\_\_ in room 123-S of the Capitol.

All members were present except:

Senators Bogina and Gaines

Committee staff present:

Research Department: Marlin Rein, Sherry Brown, Mary Galligan, Richard Ryen

Revisor's Office: Norman Furse

Committee Office: Mark Skinner, Doris Fager

Conferees appearing before the committee:

Ron Gaches, Director of Taxation, Kansas Association of Commerce and Industry

Tom Kennedy, Director, Alcoholic Beverage Control Division

John Miller, Retail Liquor Dealer

Senator Bud Burke

Tuck Duncan, Kansas Wine and Spirits Wholesalers Association

Mark Boranyak, Kansas Beer Wholesalers Association

Jack Milligan, Kansas Association of Private Clubs

SB 444 - Kansas educational building fund and state institutions building fund property tax leviesMotion was made by Senator Hein and seconded by Senator Harder to report SB 444 favorably for passage. The motion carried by roll call vote.SB 445 - Transfer of money from state general fund to national direct student loan funds of various regents institutions and to national direct student loan dispute fundMotion was made by Senator Werts and seconded by Senator Hein to report SB 445 favorably for passage. The motion carried by roll call vote.SB 436 - Federal income tax liability deduction for individuals for Kansas income tax purposes limited to \$10,000

Mr. Gaches appeared in opposition to SB 436. He said his organization believes the tax base is too small; and that if \$42 million is needed from individual income tax increases it should be spread across a broader tax base. He said KACI also objects because there is no sunset clause. He noted that the bulk of the shortfall in revenues is recession-induced, and it makes sense to sunset this bill or any other revenue package in 18 or 24 months.

Senator Hein asked Mr. Gaches if KACI had given any consideration to the impact of SB 436 in attracting business into the state. Mr. Gaches said he had talked to industrial development people, and they indicated it would be more difficult to attract development in the state because of the impact on management level personnel. There might be incentives for locations, but not if the tax burden on employees is significantly heavier than in competing states.

Senator Steineger indicated that Kansas is No. 27 in tax burden in the nation. Mr. Gaches said he could not confirm that, but he observed that 27th is only two away from the median. Mr. Gaches further stated his opposition to SB 436 by stating that progressivity in the income tax structure could be impacted by adjustments in the tax rates.

When asked by Senator Hess if he knew in terms of total taxation where Kansas ranks in the United States, Mr. Gaches said we fall into the middle for per capita tax, with property taxes being a little higher and local taxes being a little lower than average. However, if this and some other proposed measures are passed, we will be above the median.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

SB 436 - Continued

Motion was made by Senator Talkington and seconded by Senator Doyen to report SB 436 favorably out of courtesy to the Governor. The motion carried by roll call vote. In spite of the fact that Senator Hess voted in favor of the motion, he stated that he reserved the right to vote against it on the floor of the Senate.

SB 443 - Gallonage Tax on Liquor, etc.

Mr. Kennedy distributed his presentation (Attachment A). He noted that the Governor had intended the figure on page 3, line 0094 to remain "1/10" instead of "8.33%". Following his testimony, there were questions from committee members regarding additional revenue to be collected, the difference between Kansas and Missouri taxes, and discussion of liquor prices and taxes in various states in the United States.

In answer to a question from Senator Hess, Mr. Kennedy said there is a problem with people bringing liquor and wine from surrounding states into Kansas because the cost is less. Mr. Miller said he estimates there is a loss of \$12 million in sales in Johnson County in a year's time. There was extended discussion, during which Mr. Kennedy distributed Attachments B, C, D and E.

Mr. Miller again indicated that there may be a \$12 million shortfall in Johnson County alone because of the Kansas liquor laws. He added that there are 36 counties contiguous to states that have lower prices than Kansas. He noted that the tax on wine and spirits is excessive in Kansas, and suggested that a carton of soft drink might be taxed as well.

Mr. Miller indicated that there are no small liquor stores ("Mom-and-Pop" stores) in Kansas any more; but that many small stores are more or less tax writeoffs. He suggested that the bill be amended to delete the price minimums and give liquor dealers a chance to compete.

Senator Hess asked what the most palatable way to raise an estimated \$10 million from liquor tax would be from Mr. Miller's standpoint. He suggested maybe a two percent increase on the enforcement tax, but he further suggested that the ABC Board of Review relent in their markup figures. He said it would be a very simple thing for them to do. He said he is suggesting that because so much money is being lost across state lines. He stressed that if the price is reduced, Kansas can compete.

Request for Bill Introduction

At this point, Senator Burke appeared to request that the committee introduce a bill to increase sales and use taxes in Kansas. There was a brief discussion concerning his request. Motion was made by Senator Doyen to introduce such a bill. The motion failed for lack of a second.

SB 443 - Continued

Mr. Duncan appeared in opposition to SB 443. He displayed charts comparing Kansas to other states for purposes of taxation of liquor, etc. He said his industry had met with the Governor and asked if the revenue must come from gallonage and excise taxes. He indicated that, if he could raise the funds from some kind of combination of taxes on the liquor industry, he didn't care where the money came from. Mr. Duncan reminded the committee that, in addition to the bill being considered, there are bills pending which increase licenses within the industry, as well as SB 429, which changes the manner in which taxes are collected. He added that, if SB 429 realizes the revenues the committee has been suggesting, his organization feels they should be given some allowance for that in terms of raising taxes on the industry.

SB 443 - Continued

Mr. Boranyak distributed his written testimony (Attachment F) in opposition to SB 443. Following his testimony, committee members were given opportunity to ask questions.

At this point Senator Hein distributed a chart (Attachment G) showing possible revenue from a number of sources--specifically, SB 429. He suggested, following his explanation, that this would be his proposal in lieu of an increased gallonage tax; and that it would raise the same amount of dollars as would be raised by passage of SB 443.

Mr. Miller suggested that the retailers license be increased to \$500 or a percentage of sales, instead of other taxes being suggested. Mr. Milligan stressed to the committee that his industry is against removing sales tax exemption for sales in private clubs.

No action was taken on SB 443.

MEMORANDUM

TO: Honorable Paul Hess  
Chairman, Senate Ways and Means Committee

FROM: THOMAS J. KENNEDY, Director, ABC Division

RE: Senate Bill 443

DATE: April 7, 1983

PURPOSE

Senate Bill 443, if enacted in its present form, is an act relating to alcoholic beverages; concerning the rates of certain taxes relating thereto; amending K.S.A. 41-501, 79-3818 and 79-4101 and repealing the existing sections.

PERSPECTIVE

Senate Bill 443, if enacted in its present form, provides that:

1. K.S.A. 41-501 is amended to read: "For the purpose of raising revenue a tax is imposed upon the manufacturing, using, selling or purchasing alcoholic liquors in this state or a federal area at rates of:
  - A. 25¢ per gallon beer containing more than 3.2% of alcohol by weight.
  - B. 50¢ per gallon for wine containing 14% or less alcohol by weight.
  - C. \$1.00 per gallon for wine containing more than 14% of alcohol by volume, and
  - C. \$3.00 per gallon on alcohol and spirits."

Presently, the tax imposed is:

- A. 18¢ per gallon beer containing more than 3.2% of alcohol by weight.
- B. 30¢ per gallon for wine containing 14% or less of alcohol by volume.
- C. 75¢ per gallon for wine containing more than 14% of alcohol by volume, and
- D. \$2.50 per gallon on alcohol and spirits.

Att. A 4-8-83  
8 a.m.

2. K.S.A. 41-501 is further amended to provide that:  
 "The director is hereby directed and authorized to collect the taxes herein imposed and to account for and turn over to the state treasurer at least once each week all money collected as herein provided and the state treasurer shall credit 8.33% of the moneys collected from taxes imposed upon alcohol and spirits under the provisions of subsection (2)(a) to the community alcoholism and intoxication programs fund created by K.S.A. 41-1126 and amendments thereto and shall credit the balance of the moneys collected to the general fund of the state."

*Gov. intended  
 this remain  
 1/10*

Presently, the state treasurer credits 1/10th of the moneys collected to the community alcoholism and intoxication program fund.

3. K.S.A. 79-3818 is amended to provide that: "There is hereby levied upon the sale or distribution, by sale, gift or transfer, a tax of \$7.75 on each barrel of 31 gallons and a like or proportional rate per gallon or fractional part thereof, on cereal malt beverage sold or distributed in any other container of more or less than 31 gallons." \$7.75 on each barrel of 31 gallons amounts to 25¢ per gallon gallonage tax.

Presently, the gallonage tax is \$5.58 on each 31 gallon barrel or 18¢ per gallon.

4. K.S.A. 79-401 is amended to provided that: "For the purpose of providing revenue which may be used by the state, counties and cities in the enforcement of provisions of this act for the privilege of engaging in the business of selling alcoholic liquor at retail in this state, there is hereby levied and there shall be collected and paid a tax at the rate of 6% upon the gross receipts received from the sale of alcoholic liquor at retail within this state. The tax imposed by this section shall be in addition to the license fee imposed on retailers by K.S.A. 41-310."

Presently, a tax at the rate of 4% upon the gross receipts received from the sale of alcoholic liquor at retail is collected.

5. This act shall take affect and be in force from and after its publication in the statute book.

COMMENTS AND/OR RECOMMENDATIONS

1. Attached hereto at Enclosure #1 is a chart reflecting:
  - A. The category of alcoholic liquors and CMB
  - B. Gallons sold during FY 82.
  - C. Present gallonage tax rate.
  - D. Gallonage tax collected in FY 82.
  - E. The Governor's recommended gallonage tax rate on each category.
  - F. Projected tax to be collected based on gallons sold in FY 82.
  - G. Difference or amount of additional tax to be collected.
  - H. Enforcement tax collected in FY 82 at the 4% rate and the projected enforcement tax to be collected at the 6% rate based on FY 82 sales.
2. Attached hereto at Enclosure #2 is gallonage tax rates of all 32 license states. Information provided by Distilled Spirits Council of the United States.
3. No provisions were made in this bill for collecting the additional gallonage tax on stock on hand in the state if this bill is enacted. Therefore, recommend the following amendment to this bill:

New Section 4. On July 1, 1983, a tax at the rate of \$.07 per gallon of beer containing more than 3.2% of alcohol by weight, \$.20 per gallon wine containing 14% or less of alcohol by volume, \$.25 per gallon of wine containing over 14% of alcohol by volume, and \$.50 per gallon of alcohol and spirits is hereby imposed on the manufacture, use, sale, storage or purchase of alcoholic liquors owned at 12:01 a.m. on July 1, 1983, by a licensed distributor or retailer as to which the tax has been imposed as provided by K.S.A. 41-501 and amendments thereto. The tax shall be paid by the licensed distributor or retailer owning the alcoholic liquors at that time and date. On or before July 25, 1983, every licensed distributor and retailer shall make a report to the director on a form, prescribed and furnished by the director, showing the total number of gallons of the alcoholic liquors taxed by this section and owned by the distributor or retailer at 12:01 a.m. on July 1, 1983. The report shall be accompanied by payment for the tax due.

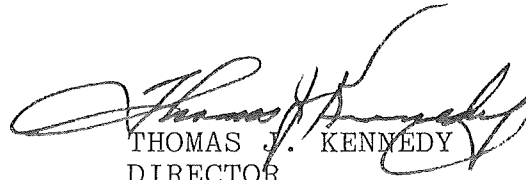
The license of any licensed distributor or retail dealer who fails to make such report or pay such tax, within the time prescribed shall be subject to suspension or revocation as provided by K.S.A. 41-320 and amendments thereto. All taxes collected by the director under this section shall be paid to the state treasurer who shall deposit the entire amount in the state general fund and credit it to the state general fund.

4. Recommend that Section 4 be renumbered to Section 5.
5. Recommend that Section 5 be amended to read:  
"This act shall take effect and be in force from and after July 1, 1983, and its publication in the statute book."

This will provide a definite cutoff time for inventorying merchandise on hand in the state.

6. This is part of the Governor's recommendation for addressing the state's fiscal needs. We urge favorable legislative action on this bill.

Respectfully submitted,



THOMAS J. KENNEDY  
DIRECTOR

Alcoholic Beverage Control Division

TJK:cjk  
Enclosures

## MEMORANDUM

ENCLOSURE #1


TO: Whom It May Concern  
 FROM: THOMAS J. KENNEDY, Director

DATE: April 6, 1983  
 RE: Governor Carlin's Proposal on  
 Gallonage and Enforcement Tax

The following reflects gallons of alcoholic liquors and CMB sold during FY 82, gallonage tax rate, gallonage tax collected, proposed gallonage tax, projected amount of tax to be collected based on FY 82 gallons sold, and the difference. Further, the increase of enforcement tax from 4% to 6% is reflected and the difference.

Item	Gallons Sold	Gallonage Tax Rate	Total Tax Collected FY 82	Proposed Gallonage Tax	Projected Amount of Tax Collected on Increase, Based on FY 82 Gallons	Difference
Alcohol & Spirits	3,162,498	\$ 2.50	\$ 7,906,246	\$ 3.00	\$ 9,487,494	+\$1,581,248
Fortified Wine (over 14%)	188,260	.75	141,195	1.00	188,260	+ 47,065
Light Wine (14% or less)	1,693,260	.30	507,978	.50	846,630	+ 338,652
Strong Beer (Over 3.2%)	23,788,772	.18	4,281,970	.25	5,947,193	+ 1,665,214
CMB (3.2% beer)	<u>28,211,583</u>	.18	<u>5,078,085</u>	.25	<u>7,052,896</u>	<u>+ 1,974,811</u>
TOTAL	<u>57,044,373</u>		<u>\$17,915,483</u>		<u>\$23,822,473</u>	<u>\$5,606,990</u>
					Less 8.33% of Alcohol & Spirits to Alcohol Treatment -	131,718
					Balance to General Revenue Fund -	<u>+\$5,475,272</u>

	Retail Sales FY 82	Tax Rate	Tax Collected FY 82	Proposed Tax	Projected Amount Collected	Difference
Enforcement Tax	\$219,352,528	4%	\$8,774,114	6%	\$13,161,152	+\$4,387,038
					TOTAL to General Revenue Fund	<u>\$9,862,310</u>

  
 THOMAS J. KENNEDY, DIRECTOR

TJK:cjk



MEMORANDUM

TO: Whom It May Concern

FROM: THOMAS J. KENNEDY, DIRECTOR, ABC Division

RE: State Gallonage and Sales or Enforcement Tax

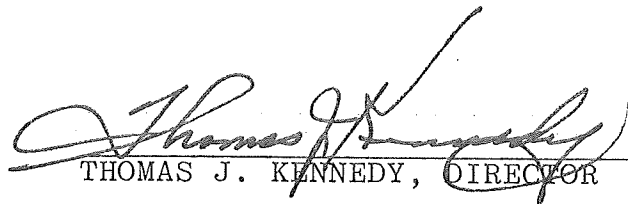
DATE: March 7, 1983

The purpose of this memorandum is to list the amount of gallonage tax and sales or enforcement tax that each of the states collects on distilled spirits, wine and beer.

The following information is extracted from 1982 State and Federal Beverage Alcohol Tax Briefs published by the Distilled Spirits Council of the United States (DISCUS), Washington, D.C.

"Forty six percent of every dollar spent on distilled spirits at retail (off-premise) in 1981 represented Federal, state and local taxes and fees. The Federal share was 26 percent and the state and local share was 20 percent. The tax portion for wine was over 15 percent of every dollar spent; of this, the Federal portion was about 5 percent and the state and local portion 11 percent. Federal taxes on beer were about 7 percent with state and local taxes .8 percent for a total of 15 percent."

"In thirty-two states and the District of Columbia beverage alcohol revenues are obtained primarily from taxes on sales in privately owned outlets (License States). In the other eighteen states and Montgomery County, Maryland (Control States), retail and/or wholesale sales, especially of distilled spirits, are made to a major extent by government owned outlets. In these Control States considerable revenues are derived from markups on sales in state stores, in addition to other tax revenues from alcohol beverages."

  
THOMAS J. KENNEDY, DIRECTOR



SPIRITS	WINE	BEER
<b>Indiana</b>		
\$2.68	21% or less—47¢ Over 21%—\$2.68	11.5¢
+Gross income tax, .325%, on wholesale and retail sales		
+4%	+4%	+4%
<b>Kansas</b>		
\$2.50	14% or less—30¢ Over 14%—75¢	18¢
+4%	+4%	+3.2% or less—3% retail sales tax
	enforcement tax	+Over 3.2%—4% enforcement tax
<b>Kentucky</b>		
\$1.92	50¢	8.0645¢
+5¢/case	+5%	(\$2.50/bbl.)
+5%		+5%
<b>Louisiana</b>		
\$2.50	14% or less—11¢ Over 14% to 24%—23¢ Over 24% and sparkling—\$1.59	32.258¢
+3%	+3%	(\$10/bbl.)
<b>Maryland</b>		
\$1.50	40¢	9¢
+5%	+5%	+5%
<b>Massachusetts</b>		
To 15%—\$1.10 Over 15%— \$4.05	Still and ver- mouth—55¢ Sparkling and champagne—70¢	10.645¢
		(\$3.30/bbl.)

SPIRITS	WINE	BEER
<b>Minnesota</b>		
\$4.39	Unfortified—27¢ Fortified to 21%— 79¢	To 3.2%— 6.4516¢
+5%	Over 21% to 24%— \$1.58	(\$2/bbl.)
	Over 24%—\$3.08	Over 3.2%— 12.903¢
	Sparkling—\$1.50	(\$4/bbl.)
	+5%	+5%
<b>Missouri</b>		
\$2.00	30¢	6¢ (\$1.86/bbl.)
+3-1/8%	+3-1/8%	+3-1/8%
<b>Nebraska</b>		
\$2.75	14% or less—65¢ Over 14%—\$1.25	14¢
+3%	+3%	+3%
<b>Nevada<sup>b</sup></b>		
\$2.05	14% or less—30¢ Over 14% to 22%—50¢ Over 22%—\$2.05	6¢
+5.75%	+5.75%	+5.75%
<b>New Jersey</b>		
\$2.80	30¢ (Native—10¢)	3.33¢
+6.5% wholesale receipts	+6.5% wholesale receipts	+6.5% wholesale receipts
<b>New Mexico</b>		
50% or less— \$1.63	45¢	9¢
Over 50%— \$2.61	+4.25% wholesale receipts	+4.25% wholesale receipts
+4.25% wholesale receipts	+3.5%	+3.5%
+3.5%		

SPIRITS	WINE	BEER
<b>New York</b>		
24% or less—80¢ Over 24%—\$3.25	Still—10¢ Artificially carbo- nated—26-1/2¢ Sparkling—53.4¢ Cider—1-1/2¢	4-4/9¢ +4%
+4%	+4%	
<b>North Dakota</b>		
\$2.50	Under 17%—50¢ 17% to 24%—60¢ Sparkling—\$1.00	In bulk—8¢ In bottles and cans—16¢
+3%	+3%	+3%
<b>Oklahoma</b>		
\$4.00	14% or less—50¢ Over 14%—\$1.00 Sparkling—\$1.50	32.258¢ (\$10/bbl.)
+2%	+2%	Over 3.2%— +2%
<b>Rhode Island</b>		
\$2.50, except cordials under 25% —\$1.00	Still—40¢ Sparkling—50¢ Native—20¢	6.4516¢ (\$2/bbl.) +6%
+6%	+6%	
<b>South Carolina</b>		
\$2.72 +\$4.48/case +9% surtax +4%	Native 14% or less—5¢ (Less than 1 gal. .4¢/8 oz.) Over 14% to 21%— 45¢ (Less than 1 gal. 3.6¢/8 oz.) Imported 21% or less—90¢ (Less than 1 gal. 6¢/8 oz.)	76.8¢ (.6¢/oz.) +4%

SPIRITS	WINE	BEER
<b>South Carolina (Cont.)</b>		
	+18¢ addi- tional tax (Less than 1 gal. 1.2¢/8 oz.)	
	+4%	
<b>South Dakota</b>		
\$3.80 +2% of purchase price by wholesaler +4%	14% or less—90¢ Over 14% to 20%—\$1.40 21% to 24%, and sparkling—\$2.00	3.2% or less— 16.129¢ (\$5/bbl.) Over 3.2%— 26.774¢ (\$8.30/bbl.)
	+2% of purchase price by wholesaler +4%	+4%
<b>Tennessee</b>		
\$4.00 +15¢/case +4.5%	Native—5¢ 21% or less—\$1.10 +15¢/case	12.581¢ (\$3.90/bbl.) +17% wholesale price +4.5%
	+4.5%	
<b>Texas</b>		
\$2.00 +4%	14% or less—17¢ Over 14%—34¢ Sparkling—43¢	4% or less— 16.129¢ (\$5/bbl.) Over 4%—16.5¢ +4%
	+4%	
<b>Wisconsin</b>		
\$3.25 +4%	14% or less—25¢ Over 14% to 21%—45¢	6.4516¢ (\$2/bbl.) +4%
	+4%	

# STATE TAX RATES

## Control States

### Sales by state owned wholesale and/or retail outlets

Control states obtain revenue by applying markups on liquor and some wine and beer sales in state owned outlets, including markups on a part or all of the price represented by the Federal excise tax (\$10.50 per proof gallon in most states). In addition, *dollar and cents tax rates are also applied as given below—per wine gallon or wine gallon equivalent, unless otherwise noted.* Where retail sales taxes apply, the rate of sales tax is given on the last line under each state.

STATE	SPIRITS	WINE	BEER
<b>Alabama</b>	25% Markup on State Store Sales +48% taxes +4%	+48% taxes Other Sales Table wine—35% +4%	53.33¢ (5¢/12 oz.) +4%
<b>Idaho</b>	45% Markup on State Store Sales +25¢ to 65¢ per bottle taxes +16%	Foreign and sparkling, same as distilled spirits U.S. 63% Markup +25¢ to 65¢ per bottle taxes +15% Other Sales 45¢ +3%	15¢ +3%
<b>Iowa</b>	66% Markup +3%	Markup Still—80% Sparkling—70% +3%	14¢ (\$4.34/bbl.) +3%
<b>Maine<sup>a</sup></b>	75% Markup on State Store Sales +10% +62.5¢/pf. gal.	+75¢ +62.5¢/pf. gal. Other Sales Native—35¢ Imported—45¢ Sparkling—\$1.12 +5%	Native—10-1/3¢ Imported—30¢ +5%
<b>Michigan</b>	51% Markup on State Store Sales +9.85% +4%	+4% Sales Tax Other Sales (16% or less) Native—4¢ Imported—50¢ +4%	20.3226¢ (\$6.30/bbl.) +4%
<b>Mississippi (State Sales at wholesale only)</b>	20% Markup +\$2.50 +1% Surcharge +5% Wholesale +5%	Sparkling— 28% Markup +\$1.00 Other wine 25% Markup +Still—35¢ (Native—5¢) +1% Surcharge +5% Wholesale +5%	42.68¢ +5% Wholesale +5%
<b>Montana</b>	40% Markup +26%	Markups (based on case price, F.O.B. winery) \$8 or less—82% \$8.01—\$18.00—60% over \$18.00—40% +75.7¢ (Table wines) Other Sales—75.7¢ +26% (except table wines)	12.9¢ (\$4/bbl.)

STATE	SPIRITS	WINE	BEER
<b>New Hampshire</b>	40-45% Markup on State Store Sales (over 6% alcohol)		18¢
<b>North Carolina</b>	64.2536% Markup (includes 22.5% and 3.5% state taxes) +5¢/bottle	State Store Sales Markup Varies +Native—4.7¢ +Imported—90.8¢ Other Sales (14% and under) Native—4.7¢ Imported—79.5¢ +3%	Containers of 7-3/4 gals. and up—48.387¢ (\$15/bbl.) Containers less than 7-3,4 gals.—53.376¢ +3%
<b>Ohio</b>	9% on delivered cost +42.86% Markup +\$2.25 +5% additional Markup +5%	Less than 14%—26¢ 14% to 21%—62¢ Vermouth—77¢ Sparkling and champagne—\$1.27 +5%	8.0645¢ (\$2.50/bbl.) or .75¢/6 oz. (bottles and cans) +5%
<b>Oregon</b>	94% Markup	94% Markup on State Store Sales Other Sales Under 14%—65¢ 14% to 21%—75¢	8.39¢ (\$2.60/bbl.)
<b>Pennsylvania</b>	25% Markup +81.25¢/bottle +18% emergency tax +6%	25% Markup +81.25¢/bottle +18% emergency tax +6%	8¢ (\$2.48/bbl.) +6%
<b>Utah</b>	58% Markup on State Store Sales +8% +4%	+8% +4%	13.29¢ (\$4.12/bbl.) +4%
<b>Vermont</b>	Markup (details not available, markup varies by product category) +25% of retail price	+25% of retail price (over 14%) Other Sales 14% or less—55¢	26.5¢
<b>Virginia<sup>b</sup></b>	37.5% Markup +20% (effective Aug. 1, 1982)	State Store Sales 40% Markup +\$1.51 Other Sales \$1.51 +4%	25.645¢ (\$7.95/bbl.) In 7 oz. bottles or less— 2¢/bottle Over 7 oz. to 12 oz. 2.65¢/bottle Over 12 oz. bottle— .222¢/oz. +4%
<b>Washington</b>	45.9% Markup on State Store Sales +15% Sales Tax +\$6.51	+76.65¢ +5.5%	State Store Sales +15% Sales Tax Other Sales 8.387¢ (\$2.60/bbl.) +5.5%

SPIRITS	WINE	BEER
<b>West Virginia<sup>b</sup></b>		
<b>72% Markup</b>	<b>75% Markup</b>	17.419¢
on State Store Sales	on State Store Sales	(\$5.50/bbl.)
+25¢/750 ml. bottle	+15¢/750 ml. bottle	+10%
+10%	(over \$1.25 per bottle)	
	+20¢/750 ml. bottle	
	(less than \$1.25 per bottle)	
	+10% Sales Tax	
	Other Sales	
	\$1.00	
	+10%	
<b>Wyoming (State sales at wholesale only)<sup>a</sup></b>		
<b>17.6% Markup</b>	<b>17.6% Markup</b>	2¢
+95¢	+28¢	+3%
+3%	+3%	

MEMORANDUM

TO: Whom It May Concern  
FROM: THOMAS J. KENNEDY, Director  
ABC Division

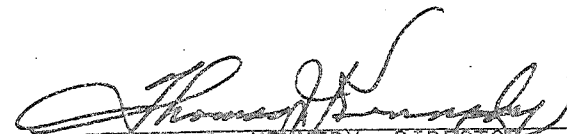
RE: Sales and Revenue

DATE: June 30, 1982

The following is a report of retail liquor store sales and revenue from license fees, gallonage tax, and enforcement tax collected from alcoholic liquors. This report also includes license fees and gallonage tax collected from cereal malt beverage. (See Page 2 of this Memorandum for details.)

SALES AND REVENUE

<u>Year</u>	<u>Retail Liquor Sales</u>	<u>License Fees and Gallonage Tax Collected</u>	<u>4% Enforcement Tax Collected</u>	<u>Total Liquor Revenue</u>	<u>CMB License Fees</u>	<u>CMB Gallonage Tax Collected</u>	<u>Total CMB Revenue</u>	<u>Grand Total Revenue</u>
CY 1950	\$20,919,513	\$ 2,377,409	\$ 836,780	\$ 3,214,189	\$ ---	\$ 1,724,995	\$ 1,724,995	\$ 4,939,184
CY 1960	30,355,702	2,509,577	1,214,228	3,723,805	30,300	1,658,860	1,689,160	5,412,965
FY 1970	70,066,400	5,021,997	2,802,655	7,824,632	22,600	2,613,911	2,636,511	10,461,143
FY 1971	77,961,820	5,384,755	3,118,473	8,503,228	22,300	3,510,820	3,533,120	12,036,348
FY 1972	88,817,875	6,114,131	3,552,715	9,666,846	21,100	3,756,545	3,777,645	13,444,491
FY 1973	92,661,225	6,519,185	3,706,449	10,225,634	20,800	3,883,425	3,904,225	14,129,859
FY 1974	101,690,375	7,037,502	4,067,615	11,105,117	22,000	4,022,080	4,044,080	15,149,197
FY 1975	116,796,050	7,485,949	4,671,842	12,157,791	21,400	4,086,756	4,108,156	16,265,947
FY 1976	131,512,575	8,156,489	5,260,503	13,416,992	21,700	4,210,519	4,232,219	17,649,211
FY 1977	133,434,000	8,388,912	5,437,360	13,826,272	21,400	4,250,537	4,271,937	18,098,209
FY 1978	148,031,300	12,985,122	5,921,252	18,906,374	20,200	5,026,376	5,046,576	23,952,950
FY 1979	167,435,400	13,043,981	6,697,416	19,741,397	20,500	5,149,699	5,170,199	24,911,596
FY 1980	183,505,000	13,358,570	7,340,200	20,698,770	19,138	4,966,379	4,985,517	25,684,287
FY 1981	204,014,125	13,504,493	8,160,565	21,665,058	19,096	5,127,878	5,146,974	26,812,032
FY 1982	219,352,528	14,070,678	8,774,114	22,844,792	19,937	5,078,086	5,098,023	27,942,815

  
THOMAS J. KENNEDY, DIRECTOR

AH-B 4-8-83  
3 a.m.

The following are the amounts of revenue collected and sources, FY 1982:

1.	<u>LICENSE FEES:</u>		\$	1,040,959
	a. Wholesalers (liquor)	@ \$1,250		
	b. Retailers (liquor)	@ 100		
	c. Beer Distributors (S)	@ 150		
	d. Manufacturers	@ 2,500		
	e. Class "A" Clubs	@ 250		
	f. Class "B" Clubs	@ 1,000		
2.	<u>REGISTRATION FEES:</u>		\$	45,556
	a. Initial Registration	@ \$ 50		
	b. Renewal Registration	@ 10		
3.	<u>AGENT PERMITS:</u>		\$	9,140
	a. Wholesaler/distributor Salespersons	@ \$10		
	b. Supplier Salespersons	@ 10		
4.	<u>NON-BEVERAGE USER PERMITS:</u>		\$	222
5.	<u>PRICE POSTING FROM SUPPLIERS:</u>		\$	55,050
6.	<u>FINES (As determined by director):</u>		\$	81,950
	Source: Distributors			
	Retailers			
	Private Clubs			
	Salespersons			
7.	<u>MISCELLANEOUS:</u>		\$	401
	Source: Time and Mileage			
	Sales of Licensee Books @ \$3.00 each			
	Cab Cards @ 50¢ each for first 3, 25¢ thereafter			
8.	<u>4% ENFORCEMENT TAX:</u>		\$	8,774,114
	Source: Collected at retail liquor stores			
	Retail sales FY 82: \$219,352,528			
9.	<u>GALLONAGE TAX (Alcoholic Beverages):</u>		\$	12,837,400
	Source: Strong beer (over 3.2%) @ 18¢ per gallon			
	Wine (14% or less Alcohol) @ 30¢ per gallon			
	Wine (More than 14% Alcohol) @ 75¢ per gallon			
	Alcohol and spirits @ \$2.50 per gallon			
10.	<u>CMB (Cereala Malt Beverage) LICENSE FEES:</u>		\$	19,937
	Source: Distributor license fees @ \$300			
	AMTRAK license fee @ \$100			
11.	<u>CMB GALLONAGE TAX:</u>		\$	5,078,086
	Source: 18¢ per gallon			
	CMB Malt Stamps @ 30¢			
12.	<u>RECAP:</u>			
	a. License Fees	\$1,040,959	g. Miscellaneous	\$ 401
	b. Registration Fees	45,556	h. 4% Enforcement Tax	8,774,114
	c. Agent Permits	9,140	i. Gallonage Tax (AB)	12,837,400
	d. Non-Beverage User Permits	222	j. CMB License Fees	19,937
	e. Price Postings from Suppliers	55,050	k. CMB Gallonage Tax	5,078,086
	f. Fines	81,950		
			TOTAL REVENUE	<u>27,942,000</u>

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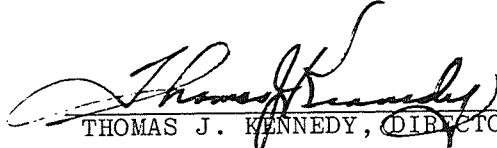
MEMORANDUM

TO: Whom It May Concern  
FROM: THOMAS J. KENNEDY, Director  
ABC Division

RE: Gallons of CMB and Strong Beer Sold  
DATE: June 30, 1982

FIGURES EXPRESSED IN GALLONS

	<u>(3.2% Cereal Malt Beverages) Total Gallons Sold</u>	<u>(Strong Beer-Over 3.2% Alcohol by Weight) Total Gallons Sold</u>	<u>(CMB and Strong Beer) Total Gallons Sold</u>
FY 78 (July 1, 1977 thru June 30, 1978)	27,920,133	18,512,679	46,432,812
FY 79 (July 1, 1978 thru June 30, 1979)	28,713,935	20,212,101	48,926,036
FY 80 (July 1, 1979 thru June 30, 1980)	27,879,868	22,300,457	50,180,325
FY 81 (July 1, 1980 thru June 30, 1981)	28,703,192	23,668,166	52,371,358
FY 82 (July 1, 1981 thru June 30, 1982)	28,211,587	23,788,776	52,000,363

  
THOMAS J. KENNEDY, DIRECTOR



MEMORANDUM

TO: WHOM IT MAY CONCERN

RE: Distributor Case Sales to Retail  
and Military

FROM: THOMAS J. KENNEDY, Director, ABC Division

DATE: April 7, 1983

AH 0 4-8-83  
sam.

DISTRIBUTOR CASE SALES TO RETAIL AND MILITARY

December 1, 1976 through November 30, 1981

<u>YEARS</u>	<u>TOTAL CASES SPIRITS</u>	<u>INCREASE (+) OR DECREASE (-)</u>	<u>TOTAL CASES WINES</u>	<u>INCREASE (+) OR DECREASE (-)</u>	<u>TOTAL CASES SPIRITS &amp; WINE</u>
1976-1977	1,096,317	-	587,084	-	1,683,401
1977-1978	1,138,334	+42,017	628,838	+41,754	1,767,172
1978-1979	1,156,923	+18,589	649,373	+20,535	1,806,296
1979-1980	1,133,570	-23,353	703,287	+54,914	1,836,857
1980-1981	1,107,422	-26,148	733,464	+30,177	1,840,886
1981-1982	1,103,304	- 4,118	738,024	+ 4,560	1,841,328

  
THOMAS J. KENNEDY, DIRECTOR

TJK:cjk

NOTE: Gallons per case: Approximately 2.75

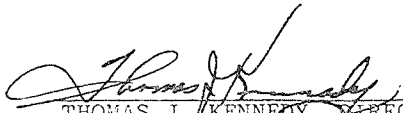
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MEMORANDUM

TO: WHOM IT MAY CONCERN  
FROM: THOMAS J. KENNEDY, Director  
ABC Division

RE: Revenue Collected by the  
ABC Division  
DATE: April 6, 1983

	July - June F.Y. 77	July - June F.Y. 78	July - June F.Y. 79	July - June F.Y. 80	July - June F.Y. 81	July - June F.Y. 82
Tax Revenue (Net Refunds)						
Alcoholic & Spirits	\$4,469,702.52	\$ 7,411,688.85	\$ 7,747,238.86	\$ 7,742,442.57	\$ 7,502,644.49	\$ 7,906,246.70
Fortified Wine	126,469.87	169,043.91	152,568.23	133,323.05	127,928.73	141,195.20
Light Wine	239,749.14	391,209.43	420,565.89	461,499.73	454,406.47	507,978.33
Strong Beer Tax	2,729,324.72	3,263,464.76	3,639,834.07	3,949,418.41	4,254,191.87	4,281,979.75
C.M.B. Tax	-	-	5,110,223.37	4,966,378.72	5,127,877.55	5,078,085.68
Inventory	-	864,135.67	-	-	-	-
<b>Total Tax Revenue</b>	<b>\$7,565,246.25</b>	<b>\$12,099,542.62</b>	<b>\$17,070,430.42</b>	<b>\$17,253,062.48</b>	<b>\$17,467,049.11</b>	<b>\$17,915,485.66</b>
Other Revenue (Net Refunds)						\$ 1,040,958.83
License Fees	\$ 742,642.99	\$ 805,349.70	\$ 879,034.06	\$ 940,033.01	\$ 1,004,855.50	45,556.00
Registration Fees	41,180.00	41,095.89	44,670.00	43,154.70	44,695.10	401.28
Miscellaneous	789.43	623.00	777.45	714.87	502.75	55,050.00
Price Posting	31,574.00	29,873.00	29,745.00	50,778.00	55,968.00	9,140.00
Permit Fees -						222.00
Agent	7,830.00	8,430.00	8,350.00	9,710.00	8,980.00	19,936.73
Non-Beverage	250.00	208.00	228.00	196.00	220.00	81,950.00
C.M.B. License Fees	-	-	20,500.00	19,138.34	19,096.34	-
Fines	-	-	-	27,300.00	50,100.00	-
<b>Total Other Revenue</b>	<b>\$ 823,666.42</b>	<b>\$ 885,579.59</b>	<b>\$ 983,304.51</b>	<b>\$ 1,091,024.92</b>	<b>\$ 1,184,417.69</b>	<b>\$19,168,700.50</b>
<b>TOTAL ALL REVENUE</b>	<b><u>\$8,388,912.67</u></b>	<b><u>\$12,985,122.21</u></b>	<b><u>\$18,053,734.93</u></b>	<b><u>\$18,344,087.40</u></b>	<b><u>\$18,651,466.80</u></b>	

  
THOMAS J. KENNEDY, DIRECTOR



April, 1983

INCREASING THE STATE "GALLONAGE" TAX ON MALT BEVERAGE PRODUCTS

WHAT'S THE ISSUE? Should the 1983 Kansas Legislature increase the state's "gallonage" tax on strong beer and cereal malt beverage in addition to increasing the liquor enforcement tax?

ANALYSIS: Although politically expedient to some, it is certain that higher excise "gallonage" taxes on malt beverage products would constitute a regressive and hidden tax increase -- regressive, because it would fall most heavily on the lower and middle classes; and hidden, in that it would be levied as part of the product price rather than as an identifiable tax, thus it becomes part of the cost structure for both the wholesaler and the retailer and becomes subject to their needs to earn an acceptable profit. It is in this regard that excise gallonage taxation is an almost uniquely inflationary type of a tax. This form of taxation would have an inflationary effect far beyond its ability to generate revenue to the state. This approach, applied to an already heavily regulated and taxed industry, would be inequitable and highly disruptive by decreasing industry sales resulting in less than anticipated revenues and contributing to unemployment. What at first glance appears to be a viable method of generating increased revenues to the state is in fact an inefficient and inequitable approach.

Kansas consumers of malt beverage products already pay their fair share in taxes. The current state gallonage tax rate in Kansas on strong beer and cereal malt beverage is \$5.58 per 31-gallon barrel or 18¢ per gallon. This rate is already above the national average of \$5.22 per 31-gallon barrel according to the latest figures compiled by the United States Brewers Association. In fact, the state gallonage excise tax in Kansas is higher than three of our four surrounding states. Kansas, with a per barrel tax of \$5.58 is 28% higher than the state of Nebraska, 225% higher than the state of Colorado and 300% higher than the state of Missouri, which is adjacent to a large portion of our state's population. The state of Oklahoma, with a higher per barrel tax at \$10.00 seems to have a much higher tax on beer -- but does it? Oklahoma, with a per barrel gallonage tax of \$10.00 does not levy additional sales taxes or enforcement taxes on malt beverage products. With a little conservative arithmetic one can quickly determine that the total state tax Kansans pay for malt beverage products approaches and in some cases even exceeds the total tax levied in Oklahoma. Computing both the gallonage tax and the sales tax on cereal malt beverage, one finds that Kansans are paying the equivalent of \$9.55 per barrel for 3.2% beer. The total state tax paid by Kansans on strong beer sold in retail liquor stores is the equivalent of \$11.09 per 31-gallon barrel. One can readily see that Oklahoma with one of the highest state excise tax rates in the country has a northern neighbor that taxes beer just as heavily. The facts are that Kansas consumers during the last fiscal year paid to the state general treasury approximately \$17 million, including the state gallonage tax,

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the 3% sales tax levied on cereal malt beverage and the 4% enforcement tax levied on strong beer sold in retail liquor stores. This figure does not include the 10% receipts tax levied on strong beer sold in private clubs as provided for in Senate Bill 467 passed by the Kansas Legislature several years ago. Beer sold in these establishments helps raise an additional \$6 million per year. The public is already paying their fair share in state taxes for malt beverage products.

Consumption of malt beverage products is heavily skewed toward working men and women. According to figures compiled on a nationwide basis, almost half of all beer consumed in this country was purchased by families with household incomes of \$20,000 or less. This group is already bearing its share of the nation's and state's tax burden and it would be hard hit by non-graduated and inflationary tax increases that single them out for special attention.

According to the Kansas Legislative Research Department: "Increases in prices will, other things remaining equal, decrease the quantity sold. Increases in taxes which lead to increases in the prices of goods or services may, as a result of the decrease in the base, lead to less than proportional increases in receipts." Increased gallonage taxes on beer could have a severe impact on sales, resulting in less than anticipated tax revenues and significant disruptions to the industry.

Tax experts and economists have found excise taxes to be an inequitable way to raise revenues. For example, the Institute for Research on the Economics of Taxation, a group supported by many of the nation's largest businesses concluded in a recent report: "Selective excises should not be employed merely to raise revenues. These taxes are distortionary and, given the current emphasis on broad-based, comprehensive neutral tax systems, the use of excises purely for revenue purposes would be a giant step backwards." The study also concluded that "excises should be methods of last resort, given all the uncertainties surrounding their use."

In conclusion, the potential impact of significant increases in the state's gallonage tax can only have an adverse effect on an industry which saw negative growth during calendar year 1982. The Kansas beer industry does not object to bearing its fair share of the economic burden as solutions are sought by the Kansas Legislature to solve the state's economic ills. However, the industry should not be made to assume an inequitable share of responsibility. In the final analysis, it is the Kansas consumer who will be forced to bear the regressive tax burden of an increase in the gallonage tax.

STATE OF KANSAS



TOPEKA

SENATE CHAMBER

RONALD R. HEIN  
 SENATOR, 20TH DISTRICT  
 SHAWNEE COUNTY  
 6031 W. 24TH TERRACE  
 (913) 272-1592  
 TOPEKA, KANSAS 66614

COMMITTEE ASSIGNMENTS  
 CHAIRMAN: ELECTIONS  
 VICE-CHAIRMAN: GOVERNMENTAL ORGANIZATION  
 MEMBER: WAYS AND MEANS  
 TRANSPORTATION AND UTILITIES  
 JUDICIARY  
 JOINT COMMITTEE ON ADMINISTRATIVE RULES  
 AND REGULATIONS  
 CAPITOL AREA PLAZA AUTHORITY  
 NATIONAL CONFERENCE OF STATE  
 LEGISLATURES COMMITTEE ON THE ARTS

Enforcement tax - increase from 4% to 6½%  
 Sales tax on all club sales  
 SB 429

*#3.6 million using 13.2 million* → *#5.7* \$ 6.1 million  
*#2.5* 4.0 million  
 2.8 million  
\$12.9 million

	Total	SGF		Increases
Present	\$ 7.8 million	\$ 1.9 million		
FY 84	9.2 million	2.3 million	\$2.3 million	<i>#2.8 million</i>
SB 429	\$13.2 million	\$ 4.4 million		
+ beer	<u>2.0 million</u>	<u>.7 million</u>		
SB 429	\$15.2 million	\$ 5.1 million	\$5.1 million	\$2.8 million
Total				
Gov.	\$10.5 million			
Retardation	.9 million			
Others	<u>1.5 million</u>			
	\$12.9 million			

*AHG*  
*4-8-83*  
*8a.m.*

THE ALCOHOLIC BEVERAGE INDUSTRY'S CONTRIBUTION TO THE U.S. ECONOMY IN 1975

-----  
\$32.5 Billion consumer dollars spent for beer, wine, and distilled spirits.

Out of this \$32.5 Billion:

\$9.5 Billion in excise, license, and other alcoholic beverage taxes and fees were received by federal, state, and local governmental units on beer, wine, and distilled spirits.

\$11.1 Billion in wages and earnings for alcoholic beverage employees and owners.

Source - Public Attitudes and Economic Progress

DISCUS Facts Book 1975

Distilled Spirits Council of the United States, Inc.

-----  
Economic Loss Resulting from Alcohol Consumption

\$19.7	Lost Production	This \$42.7 billion was taken from the public in:
12.7	Health & Medical	Higher prices for goods and services because
5.1	Auto Accidents	of alcohol-impaired personnel.
2.9	Violent Crime	Higher premiums for hospital-medical-auto-fire
1.9	Social Responses	insurance to cover alcohol-related losses.
.4	Fire Losses	Higher taxes to pay costs of welfare, criminal
\$42.7	Billion	justice, research, and needed social services
		resulting from alcohol consumption.

Source - Department of Health, Education, and Welfare. Conservative cost estimates prepared for the National Institute on Alcohol Abuse and Alcoholism. By researchers Berry, Boland, Smart and Kovak.

-----  
Drinkers paid \$9.5 billion in alcoholic revenue. The nation suffered a \$42.7 billion economic loss because drinkers drink. The economic track record of liquor by the drink and other relaxed control laws is that for each \$1.00 in taxes, over \$4.00 is taken from the pocket of all Americans, non-drinkers included.

-----  
\$42.7 Billion cost to society because some people drink.

\$9.5 Billion taxes received from the sale of alcoholic beverages.

\$33.2 Billion net loss paid by the public.

\$32.5 Billion paid by drinkers for alcoholic beverages in the U.S.

If every drinker quit, alcohol-related suffering would be wiped out and the American public would have billions of dollars to spend on better things. But what would it do to unemployment and taxes if every drinker quit?

\$42.7 Billion available for redistribution.

\$11.1 Billion given to employees and owners to do nothing.

\$9.5 Billion given to governmental units in lieu of taxes.

\$20.6 Billion total

\$22.1 Billion additional consumer dollars would be in the pockets of non-drinkers and drinkers, no one in the alcoholic beverage industry would miss a pay check, no governmental unit would lose any tax dollars, and drinkers would have another \$32.5 billion consumer dollars to spend for better things.

Alcohol taxes need to be increased 4 times in order for the public to break even.

Richard Taylor  
KANSANS FOR LIFE AT ITS BEST!

ATT. H 4-8-83  
8 a.m.

TABLE 12

## Revenue Per Wine Gallon From Combined State and Local Collections By Beverage Type, 1978

License States	Distilled Spirits			Wine			Beer		
	Consumption (1,000's gals.)	Revenue (\$1,000's)	Revenue Per Wine Gallon	Consumption (1,000's gals.)	Revenue (\$1,000's)	Revenue Per Wine Gallon	Consumption (1,000's gals.)	Revenue (\$1,000's)	Revenue Per Wine Gallon
Alaska	1,220	\$ 5,242	\$4.30	1,034	\$ 654	\$ .63	9,269	\$ 2,719	\$ .29
Arizona	5,001	22,722	4.54	5,398	4,472	.83	71,132	22,318	.31
Arkansas	2,998	13,143	4.38	1,490	1,311	.88	36,564	13,102	.36
California	56,981	243,525	4.27	93,631	45,147	.48	557,154	161,527	.29
Colorado	7,336	33,351	4.55	7,633	5,590	.73	69,750	24,535	.35
Connecticut	7,292	39,644	5.44	7,312	6,250	.85	59,858	24,351	.41
Delaware	1,521	3,526	2.32	882	404	.46	13,588	1,046	.08
District of Columbia	4,062	16,810	4.13	3,963	2,450	.62	17,169	5,260	.31
Florida	24,186	148,758	6.15	18,481	39,174	2.12	236,029	150,459	.64
Georgia	10,919	83,241	7.62	5,587	13,296	2.38	98,681	83,573	.85
Hawaii	2,160	11,558	5.35	2,493	2,661	1.07	21,390	12,660	.59
Illinois	25,204	117,581	4.67	21,330	17,115	.80	269,509	83,535	.31
Indiana	7,825	34,629	4.42	5,036	3,997	.79	111,369	33,272	.30
Kansas	2,989	11,160	3.73	1,655	973	.59	47,352	14,300	.30
Kentucky	5,158	23,874	4.63	1,937	1,613	.83	60,192	15,481	.26
Louisiana	7,792	34,616	4.44	5,915	3,535	.60	89,779	51,045	.57
Maryland	10,979	42,705	3.89	7,842	5,887	.75	99,959	28,541	.29
Massachusetts	14,125	67,570	4.78	14,519	10,469	.72	143,302	27,672	.19
Minnesota	8,869	60,873	6.86	5,518	5,574	1.00	91,827	30,467	.33
Missouri	7,480	27,282	3.65	5,850	3,442	.59	112,787	24,739	.22
Nebraska	2,690	10,596	3.94	1,704	1,339	.79	41,092	11,168	.27
Nevada	4,611	19,257	4.18	3,401	2,576	.76	25,534	7,852	.31
New Jersey	15,649	74,048	4.73	18,759	12,502	.67	151,048	35,861	.24
New Mexico	2,178	7,480	3.43	2,272	1,778	.78	33,396	9,884	.30
New York	39,824	258,179	6.48	46,007	29,941	.65	371,329	125,648	.34
North Dakota	1,421	5,836	4.10	634	556	.88	15,928	5,274	.33
Oklahoma	4,577	21,785	4.76	2,436	2,217	.91	54,462	18,476	.34
Rhode Island	2,104	10,114	4.81	2,868	2,454	.86	23,411	7,444	.32
South Carolina	6,505	44,205	6.80	2,882	4,235	1.47	61,021	52,989	.87
South Dakota	1,375	6,737	4.90	714	683	.96	14,276	5,915	.41
Tennessee	5,989	50,545	8.44	2,826	5,538	1.96	87,522	61,889	.71
Texas	20,516	147,415	7.19	15,408	9,373	.61	378,873	140,270	.37
Wisconsin	11,276	50,281	4.46	7,914	4,395	.56	147,301	36,202	.25
<b>License States</b>	<b>332,812</b>	<b>\$1,748,290</b>	<b>\$5.25</b>	<b>325,331</b>	<b>\$251,603</b>	<b>\$ .77</b>	<b>3,621,853</b>	<b>\$1,329,473</b>	<b>\$ .37</b>

Control States	Distilled Spirits			Wine			Beer		
	Consumption (1,000's gals.)	Revenue (\$1,000's)	Revenue Per Wine Gallon	Consumption (1,000's gals.)	Revenue (\$1,000's)	Revenue Per Wine Gallon	Consumption (1,000's gals.)	Revenue (\$1,000's)	Revenue Per Wine Gallon
Alabama	6,149	\$ 65,561	\$10.66	2,644	\$ 8,542	\$3.23	63,316	\$ 47,209	\$ .75
Idaho	1,332	11,258	8.45	1,421	3,045	2.14	22,221	5,962	.27
Iowa	4,113	45,739	11.12	1,871	4,195	2.24	71,642	18,232	.25
Maine	2,256	19,066	8.45	1,779	3,682	2.07	24,776	8,999	.36
Michigan	18,223	118,956	6.53	15,082	20,407	1.35	226,062	87,211	.39
Mississippi	4,001	27,822	6.95	1,445	1,987	1.38	46,428	22,316	.48
Montana	1,623	16,718	10.30	962	1,976	2.05	24,814	3,794	.15
New Hampshire	4,881	25,001	5.12	2,865	3,151	1.10	30,136	4,381	.15
North Carolina	9,088	64,332	7.08	7,092	10,095	1.42	105,418	68,018	.65
Ohio	14,937	149,502	10.01	13,013	9,190	.71	242,290	80,961	.33
Oregon	4,608	40,235	8.73	7,119	16,647	2.34	57,844	4,823	.08
Pennsylvania	16,979	150,351	8.86	15,472	27,378	1.77	285,731	74,521	.26
Utah	1,385	15,425	11.14	989	2,264	2.29	19,973	5,965	.30
Vermont	1,468	10,477	7.14	1,378	1,431	1.04	12,774	4,134	.32
Virginia	9,010	67,286	7.47	6,677	13,763	2.06	110,713	48,759	.44
Washington	8,252	111,105	13.46	11,120	14,190	1.28	92,335	27,379	.30
West Virginia	2,784	24,441	8.78	1,004	1,782	1.77	31,185	14,917	.48
Wyoming	1,080	5,437	5.03	563	583	1.04	13,192	1,950	.18
<b>Control States</b>	<b>112,169</b>	<b>\$ 968,709</b>	<b>\$ 8.64</b>	<b>92,496</b>	<b>\$144,308</b>	<b>\$1.56</b>	<b>1,480,850</b>	<b>\$ 529,532</b>	<b>\$ .36</b>
<b>ALL STATES</b>	<b>444,981</b>	<b>\$2,716,999</b>	<b>\$ 6.11</b>	<b>417,827</b>	<b>\$395,912</b>	<b>\$ .95</b>	<b>5,102,703</b>	<b>\$1,859,005</b>	<b>\$ .36</b>

NOTE: In all instances, consumption figures are for Calendar 1978. Many of the revenue estimates are for fiscal 1978. Due to rounding, items may not add to totals.