

January 20, 2016

The Honorable Janice Pauls, Chairperson  
House Committee on Federal and State Affairs  
Statehouse, Room 285-N  
Topeka, Kansas 66612

Dear Representative Pauls:

**SUBJECT:** Fiscal Note for HB 2469 by House Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2469 is respectfully submitted to your committee.

Under current law, a microbrewery is limited to manufacturing 100 to 30,000 barrels of domestic beer in a license year. HB 2469 would increase the maximum amount to 60,000 barrels of domestic beer in a license year.

The Department of Revenue estimates that HB 2469 has the potential to increase liquor gallonage tax receipts if a microbrewery increases production above the current maximum of 30,000 barrels of domestic beer in a license year. The liquor gallonage tax for beer is \$0.18 per gallon. However, the Department of Revenue does not have data on the amount of additional barrels of domestic beer that microbreweries would manufacture above 30,000 barrels to provide a precise estimate of the amount of additional liquor gallonage tax receipts that may result from the enactment of HB 2469. Any fiscal effect associated with HB 2469 is not reflected in *The FY 2017 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,  
Director of the Budget

cc: Jack Smith, Department of Revenue