

March 4, 2019

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

Dear Representative Barker:

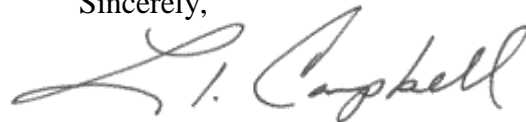
SUBJECT: Fiscal Note for HB 2379 by House Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2379 is respectfully submitted to your committee.

HB 2379 would exempt licensed microbreweries and microdistilleries from paying the liquor enforcement tax on alcoholic liquor that they manufacture that is transferred to their licensed club or drinking establishment. The bill also removes the requirement that microbreweries and microdistilleries sell their product to their licensed club or drinking establishment.

The Department of Revenue estimates that HB 2379 would decrease liquor enforcement tax collections that are deposited in the State General Fund starting in FY 2020. However, the Department of Revenue does not have data on current microbreweries and microdistilleries that are or are not paying the liquor enforcement tax on alcoholic liquor that they manufacture to provide a precise estimate of the fiscal effect. Any fiscal effect associated with HB 2379 is not reflected in *The FY 2020 Governor's Budget Report*.

Sincerely,



Larry L. Campbell
Division of the Budget

cc: Lynn Robinson, Department of Revenue