



## Legislative Council Staff *Nonpartisan Services for Colorado's Legislature*

# Fiscal Note

**Drafting Number:** LLS 22-0169  
**Prime Sponsors:**

**Date:** October 20, 2021  
**Bill Status:** Bill Request  
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**Bill Topic:** **INCREASE ALCOHOL BEVERAGE EXCISE TAX EXEMPTION**

**Summary of Fiscal Impact:**

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> State Revenue | <input checked="" type="checkbox"/> TABOR Refund |
| <input type="checkbox"/> State Expenditure        | <input type="checkbox"/> Local Government        |
| <input type="checkbox"/> State Transfer           | <input type="checkbox"/> Statutory Public Entity |

The bill expands the current excise tax exemption for alcohol brought by air passengers into the state from a foreign country. It is expected to minimally reduce General Fund revenue beginning in FY 2022-23.

**Appropriation Summary:** No appropriation is required.

**Fiscal Note Status:** The fiscal note reflects the bill draft requested by the Legislative Oversight Committee for Tax Policy.

## Summary of Legislation

The bill expands the current excise tax exemption for alcohol brought by air passengers into the state from a foreign country from up to one gallon, or 4 liters to:

- 2.25 gallons of malt liquor and hard cider;
- 9 liters of vinous liquor; and
- 6 liters of spirituous liquor.

## Background

The Liquor Enforcement Division in the Department of Revenue applies the State's laws regulating beer, wine, and liquor, and the taxation division is responsible for collecting the excise tax on these products. The Department currently enforces the existing limit on alcohol brought into the state by air passengers.

## **State Revenue**

Data are not currently collected on revenue from this tax. Very few people in the state currently pay excise tax on out-of-state purchases of alcohol brought into the state by any means, including by air. The bill is expected to minimally reduce General Fund revenue beginning in FY 2022-23.

## **TABOR Refund**

The bill is expected to minimally decrease the amount of state revenue required to be refunded to taxpayers when the state is in a TABOR refund situation.

## **Effective Date**

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

## **State and Local Government Contacts**

Information Technology

Revenue

Personnel