

2015 -- H 5523

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

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A N A C T

RELATING TO ALCOHOLIC BEVERAGES -- MANUFACTURING AND WHOLESALE
LICENSES

Introduced By: Representatives Abney, and Canario

Date Introduced: February 12, 2015

Referred To: House Finance

(by request)

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 3-6-1 of the General Laws in Chapter 3-6 entitled "Manufacturing
2 and Wholesale Licenses" is hereby amended to read as follows:

3 **3-6-1. Manufacturer's license.** -- (a) A manufacturer's license authorizes the holder to
4 establish and operate a brewery, distillery, or winery at the place described in the license for the
5 manufacture of beverages within this state. The license does not authorize more than one of the
6 activities of operator of a brewery or distillery or winery and a separate license shall be required
7 for each plant.

8 (b) The license also authorizes the sale at wholesale at the licensed place by the
9 manufacturer of the product of the licensed plant to another license holder and the transportation
10 and delivery from the place of sale to a licensed place or to a common carrier for that delivery.
11 The license does not authorize the sale of beverages for consumption on premises where sold.
12 The license does not authorize the sale of beverages in this state for delivery outside this state in
13 violation of the law of the place of delivery. The license holder may provide to visitors in
14 conjunction with a tour and/or tasting, samples, clearly marked as samples, not to exceed three
15 hundred seventy-five milliliters (375 ml) per visitor for distilled spirits and seventy-two ounces
16 (72 oz) per visitor for malt beverages at the licensed plant by the manufacturer of the product of
17 the licensed plant to visitors for off-premise consumption. The license does not authorize
18 providing samples to a visitor of any alcoholic beverages for off-premise consumption that are

1 not manufactured at the licensed plant.

2 (c) The annual fee for the license is three thousand dollars (\$3,000) for a distillery
3 producing more than fifty thousand (50,000) gallons per year and five hundred dollars (\$500) for
4 a distillery producing less than fifty thousand (50,000) gallons per year, five hundred dollars
5 (\$500) for a brewery, and one thousand five hundred dollars (\$1,500) for a winery producing
6 more than fifty thousand (50,000) gallons per year and five hundred dollars (\$500) per year for a
7 winery producing less than fifty thousand (50,000) gallons per year. All those fees are prorated to
8 the year ending December 1 in every calendar year and shall be paid to the division of taxation
9 and be turned over to the general treasurer for the use of the state.

10 SECTION 2. Section 3-10-1 of the General Laws in Chapter 3-10 entitled "Taxation of
11 Beverages" is hereby amended to read as follows:

12 **3-10-1. Manufacturing tax rates -- Exemption of religious uses. [Effective until July**

13 **1, 2015.]** -- (a) There shall be assessed and levied by the tax administrator on all beverages
14 manufactured, rectified, blended, or reduced for sale in this state a tax of three dollars and thirty
15 cents (\$3.30) on every thirty-one (31) gallons, and a tax at a like rate for any other quantity or
16 fractional part. On any beverage manufactured, rectified, blended, or reduced for sale in this state
17 consisting in whole or in part of wine, whiskey, rum, gin, brandy spirits, ethyl alcohol, or other
18 strong liquors (as distinguished from beer or other brewery products), the tax to be assessed and
19 levied is as follows:

20 (1) Still wines (whether fortified or not), one dollar and forty cents (\$1.40) per gallon;

21 (2) Still wines (whether fortified or not) made entirely from fruit grown in this state,
22 thirty cents (\$.30) per gallon;

23 (3) Sparkling wines (whether fortified or not), seventy five cents (\$.75) per gallon;

24 (4) Whiskey, rum, gin, brandy spirits, cordials, and other beverages consisting in whole
25 or in part of alcohol that is the product of distillation, five dollars and forty cents (\$5.40) per
26 gallon, except that whiskey, rum, gin, brandy spirits, cordials, and other beverages consisting in
27 whole or in part of alcohol that is the product of distillation but that contains alcohol measuring
28 thirty (30) proof or less, one dollar and ten cents (\$1.10) per gallon;

29 (5) Ethyl alcohol to be used for beverage purposes, seven dollars and fifty cents (\$7.50)
30 per gallon; and

31 (6) Ethyl alcohol to be used for nonbeverage purposes, eight cents (\$.08) per gallon.

32 (b) Sacramental wines are not subject to any tax if sold directly to a member of the
33 clergy for use by the purchaser or his or her congregation for sacramental or other religious
34 purposes.

1 (c) A brewer who brews beer in this state that is actively and directly owned, managed,
2 and operated by an authorized legal entity that has owned, managed, and operated a brewery in
3 this state for at least twelve (12) consecutive months, shall receive a tax exemption on the first
4 one hundred thousand (100,000) barrels of beer that it produces and distributes in this state in any
5 calendar year. A barrel of beer is thirty one (31) gallons.

6 (d) A distiller who distills spirits in this state that is actively and directly owned,
7 managed, and operated by an authorized legal entity that has owned, managed, and operated a
8 distillery in this state for at least twelve (12) consecutive months, shall receive a tax exemption on
9 the first fifty thousand (50,000) gallons of distilled spirits that it produces and distributes in this
10 state in any calendar year.

11 SECTION 3. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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1 This act would provide that a distillery producing more than fifty thousand (50,000)
2 gallons or more of product would pay a licensing fee of three thousand dollars (\$3,000) but one
3 that produces less than fifty thousand (50,000) gallons per year would pay a licensing fee of five
4 hundred dollars (\$500) per year. It would also grant a tax exemption on the first fifty thousand
5 (50,000) gallons of distilled spirits produced and distributed in this state to any distillery that has
6 been owned and operated in this state for at least twelve (12) consecutive months.

7 This act would take effect upon passage.

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