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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

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A N A C T

RELATING TO ALCOHOLIC BEVERAGES

Introduced By: Representatives Carson, Gallison, Fogarty, Naughton, and Craven

Date Introduced: January 07, 2016

Referred To: House Judiciary

It is enacted by the General Assembly as follows:

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

3 **3-1-1. Definitions.** -- As used in this title, unless the context otherwise requires:

4 (1) "Beverage" means any liquid which either by itself or by mixture with any other
5 liquid or liquids is or may become fit for human consumption as a drink and which contains five-
6 tenths of one per cent (.5%) or more of alcohol by weight.

7 (2) "Club" means a corporation subject to the provisions of chapter 6 of title 7, owning,
8 hiring, or leasing a building or space in a building of such extent and character as may be suitable
9 and adequate for the reasonable and comfortable accommodation of its members, and whose
10 affairs and management are conducted by a board of directors, executive committee or other
11 similar body chosen by the members at a meeting held for that purpose, none of whose members,
12 officers, agents, or employees are paid directly or indirectly any compensation by way of profit
13 from the distribution or sale of beverages to the members of the club or to its guests beyond the
14 amount of any reasonable salary or wages as may be fixed and voted each year by the directors or
15 other governing body.

16 (3) "Department" means the department of business regulation.

17 (4) "Director" means the director of the department of business regulation.

18 (5) "Division of taxation" means the division of taxation of the department of
19 administration.

1 (6) "Farmer-winery" means any plant or premise where wine is produced, rectified,
2 blended or fortified from fruits, flowers, herbs or vegetables.

3 (7) "Import" means at one time or in one transaction to take or cause to be taken into this
4 state from outside the state any malt beverage in excess of eight (8) gallons or any vinous
5 beverage or any beverage consisting in whole or in part of alcohol produced by distillation in
6 excess of three (3) gallons.

7 (8) "Intoxicating beverage" means a beverage which contains more than three and two-
8 tenths percent (3.2%) of alcohol by weight.

9 (9) "Malt beverage" means any beverage which is usually produced at breweries, as
10 distinguished from distilleries.

11 (10) "Nonintoxicating beverage" means a beverage which contains not more than three
12 and two-tenths percent (3.2%) of alcohol by weight.

13 (10.1) "Powdered alcohol" means alcohol prepared for sale or other distribution in a dry
14 powder or crystalline or encapsulated in dry or crystalline form for direct consumption or
15 reconstitution.

16 (11) "Tavern" means any house where the principal business is the furnishing of food
17 and sleeping accommodations.

18 (12) "Victualing house" means any shop or place where a substantial part of the business
19 is the furnishing of food for consumption at the place where it is furnished.

20 (13) "Winegrower" means any person licensed to operate a farmer's winery under § 3-6-
21 1.1.

22 (14) "Wines" means all fermented alcoholic beverages made from fruits, flowers, herbs,
23 or vegetables and containing not more than twenty-four percent (24%) of alcohol by volume at
24 sixty degrees Fahrenheit (60 degrees F), except cider obtained by the alcohol fermentation of the
25 juice of apples and containing not less than five tenths of one percent (.05%) or containing not
26 more than six percent (6%), of alcohol by weight at sixty degrees Fahrenheit (60 degrees F)
27 including but not limited to flavored, sparkling, or carbonated cider.

28 SECTION 2. Chapter 3-8 of the General Laws entitled "Regulation of Sales" is hereby
29 amended by adding thereto the following section:

30 **3-8-17. Possession or sale of powdered alcohol prohibited.** -- (a) It is unlawful for a
31 person, firm, or corporation to furnish, procure, deliver, sell, offer to sell or deliver or permit to
32 be sold or delivered powdered alcohol to any person who has not reached their twenty-first
33 birthday.

34 (b) It shall also be unlawful for any person who has not reached their twenty-first

1 [birthday to possess powdered alcohol as defined in this chapter.](#)

2 [\(c\) This section does not apply to use, consumption or possession of powdered alcohol by](#)
3 [a minor for religious purposes, or to a parent or legal guardian procuring or furnishing powdered](#)
4 [alcohol to or permitting the consumption of powdered alcohol by their minor child or ward for](#)
5 [religious purposes.](#)

6 [\(d\) This section shall not apply to the use of powdered alcohol for a bona fide research](#)
7 [purpose by:](#)

8 [\(1\) A health care provider that operates primarily for the purpose of conducting scientific](#)
9 [research;](#)

10 [\(2\) A state institution;](#)

11 [\(3\) A private college or university; or](#)

12 [\(4\) A pharmaceutical or biotechnology company.](#)

13 [\(e\) Any person, firm or corporation who violates subsection \(a\) of this section shall be](#)
14 [subject to the penalties provided in §3-8-11.2.](#)

15 [\(f\) Any person who violates subsection \(b\) of this section shall be subject to the penalties](#)
16 [provided in §3-8-10.](#)

17 SECTION 3. Section 3-10-1.1 of the General Laws in Chapter 3-10 entitled "Taxation of
18 Beverages" is hereby amended to read as follows:

19 **3-10-1.1. Alcoholic beverage floor stock tax.** -- (a) Each person, firm, or corporation
20 licensed to sell intoxicating beverages at wholesale or retail in this state shall pay to the state for
21 the privilege of engaging in this business during any part of the calendar year 1989, an excise tax
22 at the following rates on all of these beverages held by the licensee in this state on June 30, 1989.

23 (1) Still wines (whether fortified or not), 20/c per gallon;

24 (2) Still wines (whether fortified or not) made entirely from fruit grown in this state, 10/c
25 per gallon;

26 (3) Sparkling wines (whether fortified or not), 25/c per gallon;

27 (4) Whiskey, rum, gin, brandy spirits, cordials, and other beverages consisting in whole
28 or in part of alcohol which is the product of distillation, \$1.25 per gallon;

29 (5) Ethyl alcohol to be used for beverage purposes, \$2.50 per gallon;

30 (6) Ethyl alcohol to be used for nonbeverage purposes, 3/c per gallon;

31 (7) Beer or other malt beverages, \$1.00 per 31 gallons and a tax at a like rate for any other
32 quantity or fractional part.

33 [\(8\) Powdered alcohol, at a floor stock excise tax amount to be determined by calculating](#)
34 [the powdered alcohols recommended liquefied weight when reconstituted with water and](#)

1 [applying the alcoholic beverage floor stock tax rate of two dollars and fifty cents \(\\$2.50\) per](#)
2 [gallon of reconstituted powdered alcohol.](#)

3 (b) Each licensee subject to the payment of the tax imposed shall, on or before July 10,
4 1989, file a return, under oath or certified under the penalties of perjury, with the tax
5 administrator on forms furnished by the tax administrator, showing the amount of gallons of each
6 of the beverages named in subsection (a) in each licensee's possession in this state on June 30,
7 1989, and the amount of tax due, and at the time of this filing pay the tax due to the tax
8 administrator. Failure to obtain these forms shall not be an excuse for the failure to make a return
9 containing the information required by the tax administrator.

10 (c) The tax administrator may prescribe rules and regulations, not inconsistent with law,
11 with regard to the assessment and collection of the tax imposed in this section.

12 (d) Any licensee subject to the payment of the tax imposed in this section who fails or
13 refuses to make this return when due or who makes any false or fraudulent return shall be guilty
14 of a misdemeanor and shall for each offense be fined not to exceed five thousand dollars
15 (\$5,000).

16 (e) If the tax imposed in this section is not paid within fifteen (15) days after the tax
17 becomes due and payable, the tax administrator shall proceed to the collection of the tax, as in
18 other cases the tax administrator is directed to proceed under § 44-1-29. The tax administrator
19 shall, in addition to this directed procedure, certify the fact of the delinquency to the department
20 of business regulation and the department shall proceed in the same manner as it is directed to
21 proceed in § 3-10-8 upon the certification to it of a tax delinquency.

22 SECTION 4. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO ALCOHOLIC BEVERAGES

1 This act would make it unlawful to sell or provide powdered alcohol to any person under
2 the age of twenty-one (21), would create a floor stock tax for powdered alcohol, and would also
3 be unlawful for a person under the age of twenty-one (21) to possess powdered alcohol. The act
4 would also provide exceptions where powdered alcohol is used for religious purposes or bona
5 fide research.

6 This act would take effect upon passage.

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