



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number:	S. 0114	Amended by Senate Judiciary on February 21, 2017
Author:	Bennett	
Subject:	Alcoholic beverages	
Requestor:	Senate Judiciary	
RFA Analyst(s):	Kokolis	
Impact Date:	February 21, 2017	

Estimate of Fiscal Impact

	FY 2017-18	FY 2018-19
State Expenditure		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	Undetermined	\$0
Other and Federal	\$0	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds, as the Department of Revenue (DOR) currently issues special event permits and can manage any change in volume of applications with existing resources and processes. The revenue impact on the General Fund is undetermined.

Explanation of Fiscal Impact

Amended by Senate Judiciary on February 21, 2017

State Expenditure

This bill as amended allows suppliers or wholesalers of beer, wine, and alcoholic liquors to donate these products to a nonprofit organization for sale and on-premises consumption at a special nonprofit event. The nonprofit must possess a new special nonprofit event license created by this bill, which DOR would issue. Donations must be transferred through a licensed wholesaler, who must pay the appropriate state excise taxes. The wholesaler may bill the supplier for the tax.

The amended bill also allows brewpubs to donate beer brewed at the brewpub to nonprofit organizations holding the new special nonprofit event license. These donations are subject to the same requirements as donations by wholesalers and suppliers, including transfer of the donated beer through a wholesaler and payment of the state excise tax. In this instance, the brewpub is responsible for payment of the tax.

For DOR to issue a special nonprofit event license to a nonprofit organization, the organization must be registered as a domestic organization and be in good standing with the South Carolina Secretary of State and not hold a biennial permit or license for on or off premises consumption of alcohol. The special nonprofit event license fee is \$40 per event. An event may not exceed 72 consecutive hours, and licenses may be issued to each nonprofit for not more than four events a calendar year.

Department of Revenue. The department indicates this bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds, as the agency anticipates managing applications for special nonprofit event licenses with its existing licensing resources.

State Revenue

Allowing donations of beer, wine, or alcoholic liquors for nonprofit organizations to sell as a fundraiser may affect the number of special event permits issued by DOR. The existing special event licenses with a fee of \$10 a day for beer and wine only, \$35 a day for alcoholic liquors, and \$45 a day for beer, wine, and alcoholic liquors are expected to decrease. The new special nonprofit event license fee allowing nonprofits to receive beer, wine, and/or alcoholic donations from wholesalers and manufacturers will be \$40 per event. An unknown number of these licenses are expected to be issued. As demand for neither of these licenses can be projected, the revenue impact of this bill on the General Fund is undetermined.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director