

LEGISLATIVE HISTORY CHECKLIST

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(Ciders--taxation)

NJSA: 54:41-2

LAWS OF: 1997 CHAPTER: 153

BILL NO: S1946

SPONSOR(S): Littell

DATE INTRODUCED: March 20, 1997

COMMITTEE: ASSEMBLY: ---

SENATE: Budget

AMENDED DURING PASSAGE: Yes Amendments during passage
 First reprint enacted denoted by superscript numbers

DATE OF PASSAGE: ASSEMBLY: June 26, 1997

SENATE: June 16, 1997

DATE OF APPROVAL: July 1, 1997

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: No

SENATE: Yes

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:
 REPORTS: No

HEARINGS: No

KBP:pp

[Passed Both Houses]

[First Reprint]

SENATE, No. 1946

STATE OF NEW JERSEY

INTRODUCED MARCH 20, 1997

By Senator LITTELL, Assemblymen Lance and Wolfe

1 AN ACT concerning the taxation of certain apple ciders under the
2 alcoholic beverage tax law, amending R.S.54:41-2 and R.S.54:43-1.

3

4 BE IT ENACTED by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. R.S.54:41-2 is amended to read as follows:

8 54:41-1. As used in this subtitle:

9 "Alcoholic beverages" means liquors, beer, wines and sparkling
10 wine, as defined in this section.

11 "Beer" means beer, lager beer, ale, stout, porter, and all similar
12 fermented malt beverages having an alcoholic content of one-half of
13 one per centum (1/2 of 1%) or more by volume.

14 "Bonded warehouse" means the warehouse of any licensed
15 manufacturer or licensed wholesaler or licensed warehouseman for
16 which the licensee has given special security to obtain certain
17 privileges given by this subtitle.

18 "Bureau" means the Beverage Tax Bureau of the Division of
19 Taxation in the State Department of Taxation and Finance.

20 "Cider" means a ¹**[product]** beverage¹ made from the alcoholic
21 fermentation of the juice of apples, including but not limited to
22 flavored, sparkling or carbonated cider.

23 "Commissioner," "State Tax Commissioner" or "Director"
24 means the Director of the Division of Taxation in the State
25 Department of Taxation and Finance.

26 "Container" means the receptacle immediately surrounding the
27 alcoholic beverage and not the carton, box, case, sack, bag or other
28 covering in which such containers may be packed, placed, or

EXPLANATION - Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SBA committee amendments adopted June 5, 1997.

1 transported.

2 "Department," "State Tax Department," or "Beverage Tax
3 Bureau" means the Division of Taxation in the State Department of
4 Taxation and Finance.

5 "Licensed manufacturer" means any person holding a valid and
6 unrevoked brewery, winery, distillery, or rectifier's license issued
7 pursuant to the provisions of any relevant law of this State.

8 "Licensed transporter" means any person holding a valid and
9 unrevoked license or permit to transport alcoholic beverages pursuant
10 to the provisions of any relevant law of this State.

11 "Licensee" means the holder of any valid and unrevoked license or
12 special permit issued pursuant to any relevant law of this State,
13 pertaining to alcoholic beverages.

14 "Liquors" means all distilled or rectified spirits, alcohol, brandy,
15 whisky, rum, gin and all similar distilled alcoholic beverages, including
16 all dilutions and mixtures of one or more of the foregoing, such as
17 liqueurs, cordials, and similar compounds, having an alcoholic content
18 of one-half of one per centum ($\frac{1}{2}$ of 1%) or more by volume.

19 "Manufacturer" means any person holding a valid and unrevoked
20 brewery, winery, distillery, supplemental limited distillery, or rectifier
21 and blender's license, issued pursuant to the provisions of any relevant
22 law of this State.

23 "Person" means a natural person, an association, a partnership or
24 a corporation.

25 "Plenary retail transit licensee" means any person holding a valid
26 and unrevoked plenary retail transit license issued pursuant to any
27 relevant law of this State, authorizing the sale of alcoholic beverages
28 for consumption only, on railroad trains, airplanes, and boats, while
29 in transit in this State.

30 "Return" means the return of alcoholic beverages by a customer to
31 the source from which such beverages were obtained, upon the
32 cancellation of a sale, and shall include: (a) actual receipt of the
33 beverages on the licensed premises of the source or in a licensed public
34 warehouse for the account of the source; or (b) the sending of the
35 beverages by the customer to another person upon instructions of the
36 source; but shall not include any other disposition, such as samples,
37 breakage, shortage, merchandising credits, or beverages dumped on
38 the premises of the customer, except where such dumping is done
39 under the supervision of the Director or his representative.

40 "Sale" means and includes, in addition to its ordinary meaning, any
41 exchange, gift, loss, theft, or other disposition. In every case where
42 alcoholic beverages are exchanged, given, lost, stolen or otherwise
43 disposed of, they shall be deemed to have been sold, unless, in case of
44 loss by fire, proof is furnished to the satisfaction of the commissioner,
45 that the alcoholic beverages have been so destroyed that they could
46 not have been put to any use.

1 "Sparkling wine" means champagne and other effervescent wine
2 charged with carbon dioxide, whether artificially or as the result of
3 secondary fermentation of the wine within the container.

4 "State licensee" means any person holding a valid and unrevoked
5 license or special permit, issued by the State Commissioner of
6 Alcoholic Beverage Control, and who has posted a bond with the
7 Director to secure the payment of the alcoholic beverage taxes.

8 "Taxpayer" means a person chargeable with the payment of a tax
9 pursuant to the provisions of this subtitle.

10 "Transportation licensee" means any person holding a valid and
11 unrevoked license or special permit to transport alcoholic beverages
12 pursuant to the provisions of any relevant law of this State.

13 "Treasurer" means the Treasurer of the State of New Jersey.

14 "Vermouth" means any compound made by the mixture of extracts
15 from macerated aromatic flavoring materials with wines and
16 manufactured in such manner that the product possesses the taste,
17 aroma, and characteristics generally attributed to vermouth.

18 "Warehouse receipt" means a certificate or receipt given upon the
19 storage of alcoholic beverages in a United States custom or United
20 States internal revenue warehouse under federal bond.

21 "Warehouse receipts licensee" means any person holding a valid
22 and unrevoked warehouse receipts license issued pursuant to any
23 relevant law of this State.

24 "Wines" means all wines whether known as "dry wines," "sweet
25 wines," "still wines," or "fortified wines" and any artificial or
26 imitation wine or compound sold as wine, and any fruit juice
27 containing one-half of one per centum ($1/2$ of 1%) or more of alcohol
28 by volume, and any other beverage containing alcohol produced by the
29 fermentation of the natural sugar content of fruits or other agricultural
30 products containing sugar, which beverage contains one-half of one
31 per centum ($1/2$ of 1%) or more of alcohol by volume, but shall not
32 mean or include vermouth, or cider containing less than three and
33 two-tenths per centum ($3 \frac{2}{10}$ %) of alcohol by volume.

34 (cf: P.L.1947, c.18, s.1)

35

36 2. R.S.54:43-1 is amended to read as follows:

37 54:43-1. Tax rates. There are hereby levied and imposed upon any
38 sale of alcoholic beverages made within this State or upon any
39 delivery of alcoholic beverages made within or into this State the
40 following excise taxes:

41 a. Beer--From July 1, 1990 through June 30, 1992, at the rate of
42 \$0.10 a gallon or fraction thereof and on or after July 1, 1992, at the
43 rate of \$0.12 a gallon or fraction thereof.

44 b. Liquors--From July 1, 1990 through June 30, 1992, at the rate
45 of \$4.20 a gallon and on or after July 1, 1992, at the rate of \$4.40 a
46 gallon.

1 c. (Deleted by amendment, P.L.1972. c.53.)

2 d. (Deleted by amendment, P.L.1972. c.53.)

3 e. Wines, vermouth and sparkling wines--From July 1, 1990
4 through June 30, 1992, at the rate of \$0.50 a gallon and on or after
5 July 1, 1992, at the rate of \$0.70 a gallon ; provided however, that
6 '[on and after July 1, 1997]' cider containing at least three and
7 two-tenths per centum (3 2/10 %) of alcohol by volume but not more
8 than 7 per centum (7%) of alcohol by volume shall be taxed at the rate
9 of \$0.12 a gallon .

10 (cf: P.L.1990, c.41, s.1)

11

12 3. This act shall take effect immediately but remain inoperative
13 until '[July 1, 1997] the first day of the fourth month following
14 enactment'.

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18

19 Reduces alcoholic beverage tax rate on certain apple cider from \$.70
20 per gallon wine rate to \$.12 per gallon.

1 per centum (3 2/10 %) of alcohol by volume but not more than 7 per
2 centum (7%) of alcohol by volume shall be taxed at the rate of \$0.12
3 a gallon .

4 (cf: P.L.1990, c.41, s.1)

5

6 3. This act shall take effect immediately but remain inoperative
7 until July 1, 1997.

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9

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STATEMENT

11

12 This bill provides an alcoholic beverage tax rate for certain apple
13 cider that is similar to the tax rate on beer, instead of taxing that cider
14 at the same rate as wine.

15 Currently, the alcoholic beverage tax is imposed on beer at the rate
16 of \$.12 per gallon and on wine at the rate of \$.70 per gallon. This bill
17 provides a tax rate of \$.12 per gallon for cider that has an alcoholic
18 content of 3.2% or more up to 7%, a rate more similar to the rate for
19 beer.

20

21

22

23

24 _____
25 Reduces alcoholic beverage tax rate on certain apple cider from \$.70
per gallon wine rate to \$.12 per gallon.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 1946

with Senate committee amendments

STATE OF NEW JERSEY

DATED: JUNE 5, 1997

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1946 with amendments.

Senate Bill No. 1946, as amended, provides a tax rate of \$.12 per gallon for cider that has an alcoholic content of 3.2% or more up to 7%, a rate identical to the rate for beer. Currently, the alcoholic beverage tax is imposed on beer at the rate of \$.12 per gallon and on wine at the rate of \$.70 per gallon. Cider is currently taxed at the rate of wines, vermouths and sparkling wines.

COMMITTEE AMENDMENTS

The committee amended the bill to clarify the definition of cider and to change the effective date.

FISCAL IMPACT

According to the Department of Treasury, the enactment of this bill would result in a revenue loss to the State of approximately \$160,000 annually.