

FILED MAR 16 2005

SENATE FILE 384 WAYS & MEANS
BY MULDER and DVORSKY

(COMPANION TO LSB 2326HH
BY MASCHER)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act providing for an increase in the barrel tax, and making an
2 allocation of barrel tax revenue.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 384
WAYS & MEANS

1 Section 1. Section 123.136, Code 2005, is amended to read
2 as follows:

3 123.136 BARREL TAX.

4 1. In addition to the annual permit fee to be paid by all
5 class "A" permittees under this chapter there shall be levied
6 and collected from the permittees on all beer manufactured for
7 sale or sold in this state at wholesale and on all beer
8 imported into this state for sale at wholesale and sold in
9 this state at wholesale, and from special class "A" permittees
10 on all beer manufactured for consumption on the premises, a
11 tax of ~~five-and-eighty-nine~~ eleven and seventy-eight
12 hundredths dollars for every barrel containing thirty-one
13 gallons, and at a like rate for any other quantity or for the
14 fractional part of a barrel. However, no tax shall be levied
15 or collected on beer shipped outside this state by a class "A"
16 permittee or sold by one class "A" permittee to another class
17 "A" permittee.

18 2. All revenue derived from the barrel tax shall accrue to
19 the state general fund, except that fifty percent of the
20 revenue derived from the increase in the barrel tax over the
21 level of tax applicable on June 30, 2005, shall be deposited
22 into the special revenue account established in section 123.53
23 to be used by the substance abuse division of the Iowa
24 department of public health for substance abuse treatment and
25 prevention programs.

26 3. All of the provisions of this chapter relating to the
27 administration of the barrel tax on beer shall apply to this
28 section.

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EXPLANATION

30 This bill provides for an increase in the tax levied on
31 beer pursuant to the barrel tax imposed in Code section
32 123.136 from the current rate of \$5.89 for every barrel
33 containing 31 gallons (adjusted at a like rate for any other
34 quantity or for the fractional part of a barrel) to \$11.78.
35 This amounts to a doubling of the current rate of tax. The

1 bill also provides that 50 percent of the revenue derived from
2 the increase shall be deposited into the special revenue
3 account established in Code section 123.53 for use by the
4 substance abuse division of the Iowa department of public
5 health for substance abuse treatment and prevention programs.

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