



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number:	S. 0914	Introduced on January 23, 2018
Author:	Shealy	
Subject:	Winery Sales	
Requestor:	Senate Judiciary	
RFA Analyst(s):	Mitchell	
Impact Date:	February 20, 2018	

Estimate of Fiscal Impact

	FY 2018-19	FY 2019-20
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	Undetermined	\$0

Fiscal Impact Summary

This bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds, as the bill does not fiscally or materially alter the responsibilities of the Department of Revenue. The state and local revenue impacts of this bill are undetermined.

Explanation of Fiscal Impact

Introduced on January 23, 2018

State Expenditure

This bill allows permitted wineries to apply for a retail on-premises permit for the sale of wine in a separate location from its licensed premises. The bill adds that wineries with a retail on-premises permit must grow agricultural products in the state that are used in the production of the wine at the permitted winery premises, which must be no more than twenty-five miles from the original permitted winery. Further, locations with retail on-premises permits must: sell wine for personal use only and not for resale, comply with discount pricing provisions, sell the wine at a price approximating retail prices generally charged for identical beverages in the county, and remit taxes to the Department of Revenue (DOR). Permitted wineries may apply for up to fifty special event permits per year from DOR for locations that are not a winery's licensed premises.

DOR indicates that this bill requires the department to perform activities that will be conducted in the normal course of agency business and does not alter the department's responsibilities. Any additional permits can be managed within existing appropriations. As a result, this bill does not impact the General Fund, Other Funds, or Federal Funds.

State Revenue

This bill permits DOR to issue permits to wineries for the sale of wine in a separate location from its licensed premises. An on-premises permit for the sale of wine requires a \$300 nonrefundable filing fee and a \$600 biennial license fee. An unknown number of these permits are expected to be issued. In addition, the bill allows a winery to apply for up to fifty special event permits per year for locations that are not a winery's licensed premises. The license fee for a single special event permit for beer and wine is \$10, which could result in up to \$500 in state revenue from a single winery in one year. An unknown number of these permits 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.

Further, wineries with these on-premises permits must remit sales taxes to the department. An unknown number of these permits are expected to be issued. As such, the revenue impact of these taxes on the General Fund is undetermined.

Local Expenditure

N/A

Local Revenue

This bill permits DOR to issue permits to wineries for the sale of wine in a separate location from its licensed premises. All locations with these on-premises permits must remit appropriate sales and use and hospitality taxes to the department, if applicable. An unknown number of these permits are expected to be issued. As such, the local revenue impact from sales and use and hospitality taxes is undetermined.



Frank A. Rainwater, Executive Director