



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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**Bill Number:** S. 0164 Introduced on January 8, 2019  
**Author:** Bennett  
**Subject:** Beer Sales for On and Off-premises Consumption  
**Requestor:** Senate Judiciary  
**RFA Analyst(s):** Mitchell and Gardner  
**Impact Date:** January 29, 2019

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### **Fiscal Impact Summary**

This bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds for the Department of Revenue or the State Law Enforcement Division, as the bill does not materially or fiscally impact the operations of either agency. Any expenditures associated with the creation of warehouse licenses can be managed within existing appropriations of the Department of Revenue.

This bill will have no revenue impact to the Department of Revenue, as the department does not expect a significant increase in tax revenue from beer sales.

### **Explanation of Fiscal Impact**

#### **Introduced on January 8, 2019**

#### **State Expenditure**

This bill allows breweries to sell beer for on and off-premises consumption provided that the sealed beer is brewed on one of the brewery's permitted premises within the state. Currently, beer may be sold for on and off-premises consumption only if brewed on premises.

The bill removes limitations on the maximum amount of beer that may be sold, per day, to an individual for off-premises consumption. The bill also removes the stipulation that beer shall only be sold for off-premises consumption in conjunction with a tour of the permitted facility.

Further, the bill establishes a new license allowing breweries to warehouse product at a separate location with a permit from the Department of Revenue. A brewery may transfer products between multiple licensed premises without the payment of taxes for transfer.

**Department of Revenue.** The Department of Revenue (DOR) indicates that the provisions of the bill do not materially or fiscally alter the responsibilities of the Department. Any expenditures related to the creation of warehouse licenses can be managed within existing appropriations. As such, the bill will have no impact on the General Fund, Other Funds, or Federal Funds for DOR.

**State Law Enforcement Division.** Fines charged to breweries for violations of the provisions of this bill must be directed to SLED for use as supplemental funds for oversight and enforcement. SLED indicates that no additional staff are required to provide the required enforcement

activities outlined in the bill. As such, this bill will have no impact on the General Fund, Other Funds, or Federal Funds for SLED.

**State Revenue**

DOR collects sales and use taxes for beer sold by breweries. The department indicates that this bill will not result in a significant increase in the collection of tax revenue from beer sales.

This bill also allows DOR to collect application and license fees for the storage of product in warehouses separate from a brewery's licensed premises. DOR indicates that the new warehouse licenses will have no associated license fee. As such, the bill will have no revenue impact to DOR.

**Local Expenditure**

N/A

**Local Revenue**

N/A



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Frank A. Rainwater, Executive Director