



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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*This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.*

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<b>Bill Number:</b>	S. 0566	Signed by Governor on May 16, 2023
<b>Author:</b>	Bennett	
<b>Subject:</b>	South Carolina Craft Beer Economic Development Act	
<b>Requestor:</b>	Senate	
<b>RFA Analyst(s):</b>	Bryant	
<b>Impact Date:</b>	July 26, 2023	

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### **Fiscal Impact Summary**

This bill enacts the South Carolina Craft Beer Economic Development Act. The bill permits breweries to sell certain beer for on-premises and off-premises consumption, provided that the beer was produced by the brewery on its permitted premises or transferred to the brewery under certain specified conditions. The bill also requires breweries to report monthly in a manner required by the Department of Revenue (DOR) the amounts, types, and brewing locations of beer sampled or sold to customers for on-premises consumption. Breweries must also report monthly the amounts and brands of beer present on its licensed premises at the month's beginning, brewed on its licensed premises, transferred to and received from a separate licensed brewery under identical ownership, sold to wholesalers for resale, sold to consumers for off-premises consumption, sold to consumers for on-premises consumption, lost to spillage and spoilage, removed for owner consumption, and present on its licensed premises at the month's end.

The bill will not impact expenditures for DOR. DOR will manage the provisions of the bill with existing staff and resources.

RFA anticipates that this bill will have a minimal impact on total beer sales and resulting sales and alcohol tax revenues. Although we anticipate the provisions of the bill may cause a shift in the manner in which consumers purchase beer, the provisions of the bill are not expected to result in a material expansion of beer purchases. While the exact change is undetermined, DOR anticipates that the impact will be minimal.

### **Explanation of Fiscal Impact**

#### **Signed by Governor on May 16, 2023**

#### **State Expenditure**

This bill enacts the South Carolina Craft Beer Economic Development Act. The bill permits breweries to sell certain beer for on-premises and off-premises consumption, provided that the beer was produced by the brewery on its permitted premises or transferred to the brewery under certain specified conditions. Transferring and receiving breweries must operate under 100 percent identical ownership, and the annual volume of beer received by the brewery may not exceed the annual volume of beer produced by that brewery on its permitted premises. No more than forty-eight ounces of beer brewed at or transferred to the permitted premises may be sold to

a consumer for on-premises consumption within a twenty-four hour period. Additionally, the maximum amount of beer that may be sold to an individual per day for off-premises consumption must be equivalent to eight hundred sixty-four ounces in total.

The bill also requires breweries to report in a manner required by DOR the amounts, types, and brewing locations of beer sampled or sold to customers for on-premises consumption. Breweries must also report monthly, in a manner required by DOR, the amounts and brands of beer present on its licensed premises at the month's beginning, brewed on its licensed premises, transferred to and received from a separate licensed brewery under identical ownership, sold to wholesalers for resale, sold to consumers for off-premises consumption, sold to consumers for on-premises consumption, lost to spillage and spoilage, removed for owner consumption, and present on its licensed premises at the month's end.

**Department of Revenue.** The bill will not impact expenditures for DOR. DOR will manage the provisions of the bill with existing staff and resources.

**State Revenue**

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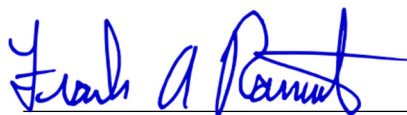
RFA anticipates that this bill will have a minimal impact on beer sales and resulting sales and alcohol tax revenues. Although we anticipate the provisions of the bill may cause a shift in the way consumers purchase beer, the provisions of the bill are not expected to result in a material expansion of beer purchases. While the exact change is undetermined, DOR anticipates that the impact will be minimal.

**Local Expenditure**

N/A

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director