

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001

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HOUSE BILL 1754

Short Title: Liquor Tax/Funds for Medicaid Drug Co-payment. (Public)

Sponsors: Representative Miller.

Referred to: Finance.

June 17, 2002

A BILL TO BE ENTITLED

AN ACT TO INCREASE THE EXCISE TAX ON LIQUOR AND TO EARMARK  
THE RESULTING REVENUES TO ELIMINATE THE CO-PAYMENT FOR  
GENERIC PRESCRIPTION DRUGS UNDER THE STATE MEDICAID PLAN.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 105-113.80(c) reads as rewritten:

"(c) Liquor. – An excise tax of ~~twenty five percent (25%)~~ twenty-six percent (26%) is levied on liquor sold in ABC stores. Pursuant to G.S. 18B-804(b), the price of liquor on which this tax is computed is the distiller's price plus (i) the State ABC warehouse freight and bailment charges, and (ii) a markup for local ABC boards."

**SECTION 2.** Part 4 of Article 2C of Chapter 105 of the General Statutes is amended by adding a new section to read:

**"§ 105-113.81B. Distribution of part of liquor taxes for State Medicaid program.**

(a) The Secretary must quarterly credit to the Department of Health and Human Services, Division of Medical Assistance, the sum of four hundred seventy thousand dollars (\$470,000). To pay for this distribution, the Secretary must draw from collections under G.S. 105-113.80(c)."

**SECTION 3.** The Department of Health and Human Services shall use funds credited to the Department pursuant to G.S. 105-113.81B to eliminate the co-payment for generic prescription drugs under the State Medicaid program.

**SECTION 4.** This act becomes effective November 1, 2002.