

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003

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HOUSE BILL 1309

Short Title: Increase Alcohol Excise Taxes. (Public)

Sponsors: Representatives Bordsen, Parmon, Insko, Womble (Primary Sponsors);  
B. Allen, Bell, Bonner, Carney, Farmer-Butterfield, Hall, Hunter, Jones,  
Lucas, Luebke, McAllister, Michaux, Miller, Nye, Sutton, Wainwright,  
Warner, and Weiss.

Referred to: Finance.

May 15, 2003

A BILL TO BE ENTITLED

AN ACT TO RESTORE THE PREVIOUS RATE OF EXCISE TAX ON LIQUOR; TO  
RAISE BEER AND WINE TAXES; AND TO DIRECT A PORTION OF THE  
PROCEEDS OF THESE TAX INCREASES TO SUBSTANCE ABUSE  
TREATMENT.

The General Assembly of North Carolina enacts:

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

**"§ 105-113.80. Excise taxes on beer, wine, and liquor.**

(a) Beer. – An excise tax of ~~fifty three and one hundred seventy seven one thousandths cents (53.177¢) per gallon~~ five cents (5¢) per 12 ounces, or portion thereof, is levied on the sale of malt beverages.

(b) Wine. – An excise tax of twenty-one cents (21¢) per liter is levied on the sale of unfortified wine, and an excise tax of twenty-four cents (24¢) per liter is levied on the sale of fortified wine.

(c) Liquor. – An excise tax of ~~twenty five percent (25%)~~ twenty-eight percent (28%) 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:

**"§ 105-113.80A. Surtax on beer and wine.**

(a) Surtax. – In addition to the excise taxes on beer and wine imposed in G.S. 105-113.80(a) and (b), every taxpayer required to file a return under those subsections must pay the surtax levied by this section. The surtax is due at the time prescribed for paying the excise taxes under this Article. The amount of the surtax is as follows:

1           (1) Beer. – An additional excise tax of five cents (5¢) per 12 ounces, or  
2           portion thereof, is levied on the sale of malt beverages.

3           (2) Wine. – An additional excise tax of twenty-one cents (21¢) per liter is  
4           levied on the sale of unfortified wine, and an additional excise tax of  
5           twenty-four cents (24¢) per liter is levied on the sale of fortified wine.

6           (b) Distribution. – The surtax levied by this section is not subject to the  
7           distribution under G.S. 105-113.81A or G.S. 105-113.82. The Secretary must credit the  
8           proceeds of the surtax levied by this section to the General Fund."

9           **SECTION 3.** In order to pay for its costs of postage, printing, and computer  
10          programming to implement this act, the Department of Revenue may withhold not more  
11          than seventy-five thousand dollars (\$75,000) from collections under this section during  
12          the 2003-2004 fiscal year.

13          **SECTION 4.** There is appropriated from the General Fund to the  
14          Department of Health and Human Services the sum of twelve million dollars  
15          (\$12,000,000) for each fiscal year of the 2003-2005 fiscal biennium for substance abuse  
16          services.

17          **SECTION 5.** Sections 1 and 2 of this act become effective November 1,  
18          2003. The remainder of this act becomes effective July 1, 2003.