

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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HOUSE BILL 995

Short Title: Hard Cider/Revise Excise Tax Rate. (Public)

Sponsors: Representative McGrady.

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Alcoholic Beverage Control, if favorable, Finance, if favorable, Rules, Calendar, and Operations of the House

April 26, 2019

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE THE EXCISE TAX RATE LEVIED ON HARD CIDER THE SAME AS
3 THE EXCISE TAX RATE LEVIED ON MALT BEVERAGES.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 105-113.68(a) reads as rewritten:

6 "(a) Definitions. – The following definitions apply in this Article:

7 ...

8 (5a) Hard cider. – A wine that meets all of the following requirements:

- 9 a. Contains not more than sixty-four hundredths (0.64) of a gram of
10 carbon dioxide per hundred milliliters of wine.
11 b. Is derived primarily from (i) apples or pears or (ii) water and apple
12 juice concentrate or pear juice concentrate.
13 c. Contains no fruit product or fruit flavoring other than what is
14 authorized under sub-subdivision b. of this subdivision.
15 d. Contains at least one-half of one percent (0.50%) alcohol by volume
16 and less than eight and one-half percent (8.50%) alcohol by volume.

17"

18 **SECTION 2.** G.S. 105-113.80 reads as rewritten:

19 **"§ 105-113.80. Excise taxes on beer, wine, and liquor.**

20 (a) ~~Beer.~~ Beer and Hard Cider. – An excise tax of sixty-one and seventy-one hundredths
21 cents (61.71¢) per gallon is levied on the sale of malt ~~beverages.~~ beverages and hard cider.

22 (b) Wine. – An excise tax of twenty-six and thirty-four hundredths cents (26.34¢) per
23 liter is levied on the sale of unfortified wine, and an excise tax of twenty-nine and thirty-four
24 hundredths cents (29.34¢) per liter is levied on the sale of fortified wine. For purposes of this
25 subsection, the term "unfortified wine" does not include hard cider.

26"

27 **SECTION 3.** G.S. 105-113.82 reads as rewritten:

28 **"§ 105-113.82. Distribution of part of beer and wine taxes.**

29 (a) Amount. – The Secretary must distribute annually a percentage of the net amount of
30 excise taxes collected on the sale of malt beverages and wine during the preceding 12-month
31 period ending March 31 to the counties or cities in which the retail sale of these beverages is
32 authorized in the entire county or city. The percentages to be distributed are as follows:

- 33 (1) Of the tax on malt beverages and hard cider levied under G.S. 105-113.80(a),
34 twenty and forty-seven hundredths percent (20.47%).



1 (2) Of the tax on unfortified wine levied under G.S. 105-113.80(b), forty-nine and
2 forty-four hundredths percent (49.44%). For purposes of this subdivision, the
3 term "unfortified wine" does not include hard cider.

4 (3) Of the tax on fortified wine levied under G.S. 105-113.80(b), eighteen percent
5 (18%).

6 (a1) Method. – If malt beverages, hard cider, unfortified wine, or fortified wine may be
7 licensed to be sold at retail in both a county and a city located in the county, both the county and
8 city receive a portion of the amount distributed, that portion to be determined on the basis of
9 population. If one of these beverages may be licensed to be sold at retail in a city located in a
10 county in which the sale of the beverage is otherwise prohibited, only the city receives a portion
11 of the amount distributed, that portion to be determined on the basis of population. The amounts
12 distributable under subsection (a) of this section must be computed separately. For purposes of
13 this subsection, the term "unfortified wine" does not include hard cider.

14"

15 **SECTION 4.** G.S. 105-113.83(b) reads as rewritten:

16 "(b) ~~Beer~~ Malt Beverages, Hard Cider, and Wine. – The excise taxes on malt ~~beverages~~
17 beverages, hard cider, and wine levied under G.S. 105-113.80(a) and ~~(b)~~, ~~respectively~~, ~~(b)~~ are
18 payable to the Secretary by the resident wholesaler or importer who first handles the beverages
19 in this State. The excise taxes levied under ~~G.S. 105-113.80(b)~~ G.S. 105-113.80(a) or (b) on hard
20 cider or wine shipped directly to consumers in this State pursuant to G.S. 18B-1001.1 must be
21 paid by the wine shipper permittee. The taxes on malt ~~beverages~~ beverages, hard cider, and wine
22 are payable only once on the same beverages. Unless otherwise provided, the tax is due on or
23 before the 15th day of the month following the month in which the beverage is first sold or
24 otherwise disposed of in this State by the wholesaler, importer, or wine shipper permittee. When
25 excise taxes are paid on ~~wine~~ wine, hard cider, or malt beverages, the wholesaler or importer
26 must submit to the Secretary verified reports on forms provided by the Secretary detailing sales
27 records for the month for which the taxes are paid. The report must indicate the amount of excise
28 tax due, contain the information required by the Secretary, and indicate separately any
29 transactions to which the excise tax does not apply. A wine shipper permittee shall submit
30 verified reports once a year on forms provided by the Secretary detailing sales records for the
31 year the taxes are paid. The verified report is due on or before the fifteenth day of the first month
32 of the following calendar year."

33 **SECTION 5.** This act becomes effective October 1, 2019, and applies to hard cider
34 sold on or after that date.