

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 723

Introduced by Vargas, 7; Blood, 3; Wayne, 13.

Read first time January 23, 2019

Committee: General Affairs

- 1 A BILL FOR AN ACT relating to the Nebraska Liquor Control Act; to amend
- 2 section 53-160, Revised Statutes Cumulative Supplement, 2018; to
- 3 change taxes on manufacturers and wholesalers; to provide an
- 4 operative date; and to repeal the original section.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 53-160, Revised Statutes Cumulative Supplement,
2 2018, is amended to read:

3 53-160 (1) For the purpose of raising revenue, a tax is imposed upon
4 the privilege of engaging in business as a manufacturer or a wholesaler
5 at a rate of twenty-five ~~thirty-one~~ cents per gallon on all beer; ninety
6 ~~ninety-five~~ cents per gallon for wine, except for wines produced and
7 released from bond in farm wineries; five ~~six~~ cents per gallon for wine
8 produced and released from bond in farm wineries; and three dollars and
9 fifty ~~seventy-five~~ cents per gallon on alcohol and spirits manufactured
10 and sold by such manufacturer or shipped for sale in this state by such
11 wholesaler in the course of such business. The gallonage tax imposed by
12 this subsection shall be imposed only on alcoholic liquor upon which a
13 federal excise tax is imposed.

14 (2) Manufacturers or wholesalers of alcoholic liquor shall be exempt
15 from the payment of the gallonage tax on such alcoholic liquor upon
16 satisfactory proof, including bills of lading furnished to the commission
17 by affidavit or otherwise as the commission may require, that such
18 alcoholic liquor was manufactured in this state but shipped out of the
19 state for sale and consumption outside this state.

20 (3) Dry wines or fortified wines manufactured or shipped into this
21 state solely and exclusively for sacramental purposes and uses shall not
22 be subject to the gallonage tax.

23 (4) The gallonage tax shall not be imposed upon any alcoholic
24 liquor, whether manufactured in or shipped into this state, when sold to
25 a licensed nonbeverage user for use in the manufacture of any of the
26 following when such products are unfit for beverage purposes: Patent and
27 proprietary medicines and medicinal, antiseptic, and toilet preparations;
28 flavoring extracts, syrups, food products, and confections or candy;
29 scientific, industrial, and chemical products, except denatured alcohol;
30 or products for scientific, chemical, experimental, or mechanical
31 purposes.

1 (5) The gallonage tax shall not be imposed upon the privilege of
2 engaging in any business in interstate commerce or otherwise, which
3 business may not, under the Constitution and statutes of the United
4 States, be made the subject of taxation by this state.

5 (6) The gallonage tax shall be in addition to all other occupation
6 or privilege taxes imposed by this state or by any municipal corporation
7 or political subdivision thereof.

8 (7) The commission shall collect the gallonage tax and shall account
9 for and remit to the State Treasurer at least once each week all money
10 collected pursuant to this section. If any alcoholic liquor manufactured
11 in or shipped into this state is sold to a licensed manufacturer or
12 wholesaler of this state to be used solely as an ingredient in the
13 manufacture of any beverage for human consumption, the tax imposed upon
14 such manufacturer or wholesaler shall be reduced by the amount of the
15 taxes which have been paid as to such alcoholic liquor so used under the
16 Nebraska Liquor Control Act. The net proceeds of all revenue arising
17 under this section shall be credited to the General Fund.

18 Sec. 2. This act becomes operative on October 1, 2019.

19 Sec. 3. Original section 53-160, Revised Statutes Cumulative
20 Supplement, 2018, is repealed.