

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3054S.01I
Bill No.: SB 753
Subject: Alcohol
Type: Original
Date: April 1, 2025

Bill Summary: This proposal modifies provisions relating to the distribution of certain wine excise tax revenues.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Agriculture Protection	\$0	(\$1,220,526)	(\$1,241,462)
Wine and Grape	\$0	\$1,220,526	\$1,241,462
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Agriculture Protection Fund	0 FTE	(11) FTE	(11) FTE
Total Estimated Net Effect on FTE	0 FTE	(11) FTE	(11) FTE

- ☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- ☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§311.550 and 311.554 – Distribution of certain wine excise tax revenues

Officials from the **Missouri Department of Agriculture (MDA)** state the current wine tax totals \$0.42 per gallon. Section 311.550(2) RSMo, provides the sum of thirty (30) cents per gallon is to be credited of the Agriculture Protection Fund created under §261.200 and is to be used solely for agricultural business development and marketing-related functions of the MDA.

If this allocation of \$0.30 is reduced down to \$0.21 per gallon (per §311.550.1(2)), this will cause funding issues within the Ag Business Development (ABD) Division which connects Missouri's farmers, ranchers and agribusinesses to opportunities for success. The Division helps facilitate growth in Missouri's agriculture-based businesses through opportunities such as the state agriculture branded program, exporter education, international networking, and connecting them to market news reports to inform decision making. The ABD team facilitates growth in Missouri's agriculture-based industries by working with key partners such as Universities, associates, private sector partners, and federal and state agencies. The ABD programs includes the Missouri Grown program which has over 350 members and facilitates the farm to school program, the Senior and WIC Farmers Market Nutrition Programs, and the Urban Agriculture and Food Insecure Cost Share Grants. The program also has a Domestic and International Marketing Team who provide a variety of marketing services to link Missouri producers to buyers across the United States and globe, resulting in millions of dollars and increased market exposure.

Additionally, the fund is used for the marketing-related function of the MDA which would affect the Missouri State Fair. The Missouri State Fair showcases and inspires the best in Missouri agriculture, agri-businesses, domestic arts, and fine arts through competition and education experiences along with providing quality entertainment to the State.

\$0.12; §311.554 RSMo, \$0.06 to be used for research and advisement marketing development purposes and \$0.06 utilized for administrative costs by the Wine and Grape Board.

Oversight contacted MDA officials regarding the potential fiscal impact of this proposal. The provisions of the bill will shift 9 cents of the wine tax from the Agriculture Protection Fund (0970) to the Missouri Wine and Grape Fund (0787) and the net effect will be \$0. Oversight will show a loss of approximately \$1.2 million annually to the Agriculture Protection Fund and a gain of the same amount each year to the Missouri Wine and Grape Fund.

MDA officials state redistribution of the wine tax proceeds from the Agriculture Protection Fund will jeopardize the positions of 11 Ag Business Development FTEs and the work the division

does to promote Missouri agriculture if this fund does not receive General Revenue to replace the redirected funds. (See the duties performed by the Ag Business Division above).

Oversight further notes the provisions of this proposal become effective July 1, 2026 (FY 2027).

Officials from the **Office of Administration - Budget and Planning** defer to the Department of Public Safety (DPS) – Division of Alcohol and Tobacco Control (ATC) for response concerning the potential fiscal impact of this proposal.

Officials from the **Department of Revenue (DOR)** state the DOR does not collect this tax as it is collected by the ATC. The DOR defers to the DPS – ATC for response regarding the potential fiscal impact of this proposal.

Officials from the **Department of Public Safety – Division of Alcohol and Tobacco Control** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
AGRICULTURE PROTECTION FUND (0970)			
<u>Loss – MDA – (§§311.550 and 311.554) – redirection of wine tax to Wine and Grape Fund</u>	\$0	(\$1,220,526)	(\$1,241,462)
FTE Change	0 FTE	(11) FTE	(11) FTE
ESTIMATED NET EFFECT ON THE AGRICULTURE PROTECTION FUND	<u>\$0</u>	<u>(\$1,220,526)</u>	<u>(\$1,241,462)</u>
Estimated Net FTE Change on the Agriculture Protection Fund	0 FTE	(11) FTE	(11) FTE

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
WINE AND GRAPE FUND (0787)			
<u>Income</u> – MDA (§§311.550 and 311.554) – redirection of wine tax from Agriculture Protection Fund	\$0	\$1,220,526	\$1,241,462
ESTIMATED NET EFFECT ON THE WINE AND GRAPE FUND	<u>\$0</u>	<u>\$1,220,526</u>	<u>\$1,241,462</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

Current law authorizes an excise tax on the sale of wine at a rate of \$0.42/gallon, with \$0.30/gallon credited to the Agriculture Protection Fund and \$0.12/gallon credit to the Missouri Wine and Grape Fund. Beginning July 1, 2026, this act changes the distribution of such amounts to \$0.21/gallon to both the Agriculture Protection Fund and the Missouri Wine and Grape Fund. (§§311.550 and 311.554)

This act shall become effective on July 1, 2026.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration - Budget and Planning

Department of Revenue

Department of Public Safety - Division of Alcohol and Tobacco Control

Missouri Department of Agriculture



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April 1, 2025



Jessica Harris
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April 1, 2025