

1 AN ACT relating to alcohol taxes.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 243.720 is amended to read as follows:

- 4 (1) (a) There is levied upon the use, sale, or distribution by sale or gift of distilled  
5 spirits a tax of one dollar and ninety-two cents (\$1.92) on each wine gallon of  
6 distilled spirits, and a proportional rate per gallon on all distilled spirits used,  
7 sold, or distributed in any container of more or less than one (1) gallon, but  
8 the rate of the excise tax on spirits in retail containers of one-half (1/2) pint  
9 shall be twelve cents (\$0.12); and
- 10 (b) Notwithstanding the provisions of paragraph (a) of this subsection, distilled  
11 spirits placed in containers for sale at retail, where the distilled spirits  
12 represent ~~fourteen~~<sup>six</sup> percent ~~(14%)~~<sup>(6%)</sup> or less of ~~alcohol by the total~~  
13 ~~volume of the contents of such containers~~, shall be taxed at the rate of  
14 twenty-five cents (\$0.25) per gallon.
- 15 (2) There is levied upon the use, sale, or distribution by sale or gift of wine, a tax of  
16 fifty cents (\$0.50) on each gallon of wine, and a proportional rate per gallon on the  
17 wine used, sold, or distributed in any container of more or less than one (1) gallon,  
18 but the tax shall not be less than four cents (\$0.04) on the sale or distribution of any  
19 retail container of wine.
- 20 (3) (a) There is levied upon the sale or distribution by sale or gift of malt beverages  
21 an excise tax of two dollars and fifty cents (\$2.50) on each barrel of thirty-one  
22 (31) gallons and a proportional rate per gallon on malt beverages sold or  
23 distributed in any container of more or less than thirty-one (31) gallons;
- 24 (b) Each brewer producing malt beverages in this state shall be entitled to a credit  
25 of fifty percent (50%) of the tax levied on each barrel of malt beverages sold  
26 in this state, up to three hundred thousand (300,000) barrels per annum.
- 27 (4) This section shall not apply to:

- 1           (a) Wine manufactured, sold, given away, or distributed and used solely for
- 2                 sacramental purposes; or
- 3           (b) Distilled spirits and wine purchased by holders of special licenses provided
- 4                 for in KRS 243.320 and purchased and used in the manner authorized by those
- 5                 licenses.