

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 358
 SPONSOR: Senators Miller & Crist
 SUBJECT: Alcoholic Beverages
 DATE: March 16, 2001 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Cooper</u>	<u>Yeatman</u>	<u>CA</u>	<u>Favorable</u>
2.	<u>Wiehle</u>	<u>Caldwell</u>	<u>RI</u>	<u>Favorable</u>
3.	_____	_____	<u>FT</u>	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill provides an exemption from the surcharge on alcoholic beverages sold at retail for consumption on the premises by specified licensed nonprofit organizations.

This bill amends section 561.501 of the Florida Statutes.

II. Present Situation:

Section 561.501, F.S., imposes a surcharge on all alcoholic beverages sold by the drink for consumption on a retailer's licensed premises. The surcharge is 3.34 cents on each one ounce of liquor or four ounces of wine, 2 cents on each 12 ounces of cider, and 1.34 cents on each 12 ounces of beer.

In the 2000 Regular Session, the Legislature exempted certain nonprofit organizations from collecting and remitting the surcharge. s. 1, ch. 2000-354, L.O.F. Specifically, the surcharge need not be paid by an organization that is licensed by the Division of Alcoholic Beverages and Tobacco under s. 565.02(4) or s. 561.422, F.S., and that is determined by the Internal Revenue Service to be currently exempt from federal income tax under s. 501(c)(3), (4), (5), (6), (7), (8), or (19) of the Internal Revenue Code of 1986, as amended. Section 565.02(4), F.S., authorizes certain clubs to serve alcoholic beverages to club members and nonresident guests only. Section 561.422, F.S., provides for the issuance of a permit authorizing a bona fide nonprofit civic organization to sell alcoholic beverages for consumption only on the premises for a period not to exceed three days. The types of s. 501(c) nonprofit organizations that are not required to collect and remit the alcoholic beverage surcharge are: (3) - religious, charitable, scientific, literary, or educational; (4) - civic leagues, social welfare and local associations of employees; (5) - labor, agricultural and horticultural; (6) - business leagues, chambers of commerce and real estate

boards; (7) - social and recreational clubs; (8) - fraternal beneficiary societies and associations; and (19) - veterans= post or organizations.

III. Effect of Proposed Changes:

This bill amends s. 561.501, F.S., to expand the types of organizations that are exempt from collecting and remitting the surcharge on alcoholic beverages sold at retail for consumption on the premises. This expansion includes s. 501(c)(2) organizations, which are corporations “organized for the exclusive purpose of holding title to property, collecting income therefrom, and turning over the entire amount thereof, less expenses, to an organization which itself is exempt under [s. 501(c)]”; and s. 501(c)(10) organizations, which are domestic fraternal societies, orders, or associations operating under the lodge system.

In addition, this bill deletes the condition that exempt s. 501(c) organizations also be licensed by the Division of Alcoholic Beverages and Tobacco under s. 565.02(4), F.S., which are chartered or incorporated clubs, or s. 561.422, F.S., which are bona fide nonprofit civic organizations that sell alcoholic beverages for consumption only on the premises for a period not to exceed three days. Instead, the provision requires s. 501(c) organizations be “a non-profit” organization licensed by the division to qualify for the exemption.

The bill takes effect upon becoming a law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

The Department of Business and Professional Regulation reports that s. 501(c)(2) & (10) organizations include ethnic mutual aid societies, social clubs and fraternal organizations. The department estimates that 130 such organizations may qualify for exemption under this provision, should it be enacted into law. The estimated fiscal impact is \$250,000 in FY 2001/02.

B. Private Sector Impact:

To the extent that additional non-profit organizations qualify for the exemption, they will not be required to remit the surcharge.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
