

The House Committee on Regulated Industries offers the following substitute to HB 516:

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 3 of the Official Code of Georgia Annotated, relating to alcoholic beverages,
2 so as to provide a definition of the term "flavored malt beverage"; to change certain
3 provisions relating to the maintenance of records of alcoholic beverages manufactured,
4 purchased, or sold; to change certain provisions relating to tax payment and reporting by
5 licensees; to provide a date by which taxes must be paid for distilled spirits by the package
6 sold or disposed of by wholesale dealers; to declare certain distilled spirits to be contraband;
7 to provide for related matters; to provide for an effective date; to repeal conflicting laws; and
8 for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

10 Title 3 of the Official Code of Georgia Annotated, relating to alcoholic beverages, is
11 amended in Code Section 3-1-2, relating to definitions concerning alcoholic beverages, by
12 adding a new paragraph to read as follows:
13

14 "(8.1) 'Flavored malt beverage' means any alcoholic beverage obtained by the
15 fermentation of any infusion or decoction of barley, malt, hops, or any other similar
16 product, or any combination of such products, in water containing not more than 6
17 percent alcohol by volume to which other flavors and nonbeverage alcohol ingredients
18 are added so long as no more than 49 percent of the overall alcohol content of the
19 alcoholic beverage is derived from the addition of flavors and nonbeverage alcohol
20 ingredients. A flavored malt beverage shall be deemed a malt beverage for purposes of
21 this title. Alcoholic beverages otherwise meeting the definition of 'flavored malt
22 beverage' but containing more than 6 percent alcohol by volume or in which more than
23 49 percent of the overall alcohol content is derived from the addition of flavors and
24 nonbeverage alcohol ingredients shall be deemed distilled spirits for purposes of this
25 title."

1 ~~paragraph, the commissioner shall repay such wholesalers in the form of semiannual~~
 2 ~~credits against future tax liability;~~

3 ~~(2) On February 1, 1993, or as soon thereafter as practicable, the commissioner shall~~
 4 ~~direct that an inventory be taken of stamped merchandise and tax stamps held by~~
 5 ~~manufacturers, shippers, and wholesalers. The commissioner shall issue refunds to all~~
 6 ~~manufacturers and shippers for the value of tax stamps in their possession on February~~
 7 ~~1, 1993, to be paid in 12 equal installments beginning on August 1, 1993. The~~
 8 ~~commissioner shall issue tax credits to wholesalers for stamps in inventory on February~~
 9 ~~1, 1993, which shall be applied as credits against the wholesaler's future tax liability for~~
 10 ~~the 12 month period beginning with the report due on August 10, 1993;~~

11 ~~(3) Nothing in this subsection shall be construed to impose an additional excise tax on~~
 12 ~~distilled spirits and alcohol held in inventory by wholesalers and retailers above the~~
 13 ~~excise tax paid prior to February 1, 1993; and~~

14 ~~(4) The commissioner shall adopt rules and regulations for the implementation of a~~
 15 ~~reporting method of paying distilled spirits and alcohol excise taxes as well as the~~
 16 ~~elimination of the use of any type of distilled spirits and alcohol stamp. The~~
 17 ~~commissioner shall have full authority to allow credits or make refunds as provided for~~
 18 ~~in this subsection.~~

19 (d) The commissioner shall adopt rules and regulations for the implementation of a
 20 reporting method of paying distilled spirits and alcohol excise taxes."

21 **SECTION 4.**

22 Said title is further amended in Code Section 3-4-80, relating to the authorization of the levy
 23 of tax on sale of distilled spirits by the package, by adding a new subsection to read as
 24 follows:

25 "(a.1) The tax authorized by subsection (a) of this Code section shall be paid on or before
 26 the tenth day of the month following the calendar month in which the beverages are sold
 27 or disposed of within the particular municipality or county by the wholesale dealer."

28 **SECTION 5.**

29 Said title is further amended in Code Section 3-4-111, relating to the sale by wholesalers to
 30 licensees and the purchase by licensees from wholesalers, as follows:

31 "3-4-111.

32 (a) Those persons who are duly licensed as wholesalers of distilled spirits under this title
 33 may sell distilled spirits at wholesale prices to any person or persons licensed as provided
 34 in this article. Persons licensed under this article may purchase distilled spirits from a
 35 licensed wholesaler at wholesale prices.

1 (b) Any distilled spirits possessed, sold, or offered for sale by a retail dealer or retail
2 consumption dealer which were purchased or otherwise acquired from any person other
3 than a wholesale dealer authorized to do business under this chapter is declared to be
4 contraband and shall be seized and disposed of by the commissioner in the manner
5 provided in this title."

6 **SECTION 6.**

7 This Act shall become effective upon its approval by the Governor or upon its becoming law
8 without such approval.

9 **SECTION 7.**

10 All laws and parts of laws in conflict with this Act are repealed.