

TABLE 12. NET ALCOHOLIC BEVERAGE TAX COLLECTIONS BY TYPE
[G.S. 105 ARTICLE 2C.]

| Type of Tax | Fiscal Year | | | | | | | | | |
|--|---------------------------|----------------|---------------------------|----------------|---------------------------|----------------|---------------------------|----------------|---------------------------|----------------|
| | 1994-1995 | | 1995-1996 | | 1996-1997 | | 1997-1998 | | 1998-1999 | |
| | Collection amount [\$] | % of total | Collection amount [\$] | % of total | Collection amount [\$] | % of total | Collection amount [\$] | % of total | Collection amount [\$] | % of total |
| License tax:* | | | | | | | | | | |
| Beer | 1,620,817 | 0.99% | 1,640,748 | 0.98% | 1,616,633 | 0.93% | 1,664,527 | 0.94% | 402,450 | 0.22% |
| Wine | 1,478,013 | 0.91% | 1,523,813 | 0.91% | 1,504,391 | 0.87% | 1,553,568 | 0.88% | 415,437 | 0.23% |
| Other | 730 | 0.00% | 635 | 0.00% | 495 | 0.00% | 560 | 0.00% | 54 | 0.00% |
| Total license | 3,099,560 | 1.90% | 3,165,196 | 1.88% | 3,121,519 | 1.80% | 3,218,655 | 1.81% | 817,941 | 0.45% |
| Excise tax: | | | | | | | | | | |
| Beer excise | 74,760,038 | 45.79% | 76,139,438 | 45.30% | 77,939,400 | 44.92% | 79,153,608 | 44.60% | 82,384,631 | 45.12% |
| Fortified wine excise | 1,879,918 | 1.15% | 1,892,250 | 1.13% | 1,684,012 | 0.97% | 1,560,452 | 0.88% | 1,394,901 | 0.76% |
| Unfortified wine excise | 6,050,087 | 3.71% | 6,808,590 | 4.05% | 7,292,528 | 4.20% | 7,404,304 | 4.17% | 7,833,110 | 4.29% |
| Liquor excise | 71,351,719 | 43.70% | 73,706,584 | 43.85% | 76,862,992 | 44.30% | 79,026,733 | 44.53% | 82,324,244 | 45.09% |
| Liquor surcharge | 6,142,225 | 3.76% | 6,360,075 | 3.78% | 6,608,730 | 3.81% | 7,109,308 | 4.01% | 7,820,536 | 4.28% |
| Total excise | 160,183,987 | 98.10% | 164,906,937 | 98.12% | 170,387,662 | 98.20% | 174,254,405 | 98.19% | 181,757,423 | 99.55% |
| Total collections | 163,283,547 | 100.00% | 168,072,133 | 100.00% | 173,509,181 | 100.00% | 177,473,060 | 100.00% | 182,575,364 | 100.00% |
| Less: | | | | | | | | | | |
| Local distribution allocations | see note | - | 22,451,744 | 13.36% | 23,210,614 | 13.38% | 23,599,550 | 13.30% | 24,424,343 | 13.38% |
| Intergovernmental transfers: | | | | | | | | | | |
| Department of Commerce transfer + | 94,763 | 0.06% | 102,536 | 0.06% | 90,000 | 0.05% | 150,000 | 0.08% | 124,492 | 0.07% |
| Special reserve fund | - | - | - | - | - | - | - | - | - | - |
| OSBM Civil Penalty/Forfeiture Fund | - | - | - | - | - | - | - | - | - | - |
| Collection cost of fines/forfeitures | - | - | - | - | - | - | - | - | - | - |
| Net collections to General Fund | 163,188,783 | 99.94% | 145,517,853 | 86.58% | 150,208,567 | 86.57% | 153,723,510 | 86.62% | 158,026,529 | 86.55% |

| Type of Tax | Fiscal Year | | | | | | | | | |
|--|---------------------------|----------------|---------------------------|----------------|---------------------------|----------------|---------------------------|----------------|---------------------------|----------------|
| | 1999-2000 | | 2000-2001 | | 2001-2002 | | 2002-2003 | | 2003-2004 | |
| | Collection amount [\$] | % of total | Collection amount [\$] | % of total | Collection amount [\$] | % of total | Collection amount [\$] | % of total | Collection amount [\$] | % of total |
| License tax:* | | | | | | | | | | |
| Beer | 8,177 | 0.00% | 1,046 | 0.00% | 2,234 | 0.00% | 799 | 0.00% | - | - |
| Wine | 7,482 | 0.00% | 224 | 0.00% | 1,770 | 0.00% | 47 | 0.00% | - | - |
| Other | - | - | - | - | - | - | - | - | - | - |
| Total license | 15,659 | 0.01% | 1,270 | 0.00% | 4,004 | 0.00% | 846 | 0.00% | - | - |
| Excise tax: | | | | | | | | | | |
| Beer excise | 85,415,039 | 44.53% | 86,281,560 | 43.36% | 88,631,573 | 43.96% | 88,496,593 | 44.55% | 93,474,008 | 44.25% |
| Fortified wine excise | 1,448,805 | 0.76% | 1,371,315 | 0.69% | 1,248,267 | 0.62% | 1,250,035 | 0.63% | 1,257,801 | 0.60% |
| Unfortified wine excise | 8,504,894 | 4.43% | 8,653,912 | 4.35% | 9,341,280 | 4.63% | 10,254,364 | 5.16% | 11,241,818 | 5.32% |
| Liquor excise | 88,220,230 | 45.99% | 94,275,888 | 47.38% | 93,205,147 | 46.23% | 89,463,937 | 45.03% | 95,129,952 | 45.04% |
| Liquor surcharge | 8,213,887 | 4.28% | 8,382,531 | 4.21% | 9,202,685 | 4.56% | 9,189,704 | 4.63% | 10,114,003 | 4.79% |
| Total excise | 191,802,855 | 99.99% | 198,965,206 | 100.00% | 201,628,952 | 100.00% | 198,654,633 | 100.00% | 211,217,582 | 100.00% |
| Total collections | 191,818,514 | 100.00% | 198,966,476 | 100.00% | 201,632,956 | 100.00% | 198,655,479 | 100.00% | 211,217,582 | 100.00% |
| Less: | | | | | | | | | | |
| Local distribution allocations | 25,236,935 | 13.16% | 26,092,566 | 13.11% | - | - | 27,408,926 | 13.80% | 28,475,073 | 13.48% |
| Intergovernmental transfers: | | | | | | | | | | |
| Department of Commerce transfer + | 209,226 | 0.11% | 175,000 | 0.09% | 298,180 | 0.15% | 350,000 | 0.18% | 350,000 | 0.17% |
| Special reserve fund | - | - | - | - | 26,690,051 | 13.24% | - | - | - | - |
| OSBM Civil Penalty/Forfeiture Fund | - | - | - | - | - | - | - | - | - | - |
| Collection cost of fines/forfeitures | - | - | - | - | - | - | - | - | - | - |
| Net collections to General Fund | 166,372,353 | 86.73% | 172,698,910 | 86.80% | 174,644,725 | 86.62% | 170,896,552 | 86.03% | 182,392,509 | 86.35% |

TABLE 12. - Continued

| Type of Tax | Fiscal Year | | | | | | | | | |
|--|---------------------------|------------|---------------------------|------------|---------------------------|------------|---------------------------|------------|---------------------------|------------|
| | 2004-2005 | | 2005-2006 | | 2006-2007 | | 2007-2008 | | 2008-2009 | |
| | Collection amount [\$] | % of total | Collection amount [\$] | % of total | Collection amount [\$] | % of total | Collection amount [\$] | % of total | Collection amount [\$] | % of total |
| License tax:* | | | | | | | | | | |
| Beer | - | - | - | - | - | - | - | - | - | - |
| Wine | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - |
| Total license | - | - | - | - | - | - | - | - | - | - |
| Excise tax: | | | | | | | | | | |
| Beer excise | 93,218,652 | 42.48% | 96,152,889 | 41.53% | 98,740,195 | 40.33% | 101,250,933 | 39.09% | 100,332,391 | 38.18% |
| Fortified wine excise | 1,038,294 | 0.47% | 1,098,362 | 0.47% | 942,117 | 0.38% | 909,261 | 0.35% | 848,605 | 0.32% |
| Unfortified wine excise | 11,843,907 | 5.40% | 13,045,850 | 5.63% | 13,536,924 | 5.53% | 14,722,932 | 5.68% | 15,163,494 | 5.77% |
| Liquor excise | 102,143,159 | 46.55% | 108,997,192 | 47.07% | 118,497,662 | 48.40% | 128,377,545 | 49.56% | 134,215,336 | 51.08% |
| Liquor surcharge | 11,193,190 | 5.10% | 12,255,203 | 5.29% | 13,117,126 | 5.36% | 13,763,716 | 5.31% | 12,208,203 | 4.65% |
| Total excise | 219,437,203 | 100.00% | 231,549,497 | 100.00% | 244,834,023 | 100.00% | 259,024,387 | 100.00% | 262,768,029 | 100.00% |
| Total collections | 219,437,203 | 100.00% | 231,549,497 | 100.00% | 244,834,023 | 100.00% | 259,024,387 | 100.00% | 262,768,029 | 100.00% |
| Less: | | | | | | | | | | |
| Local distribution allocations | 29,778,545 | 13.57% | 30,229,766 | 13.06% | 31,638,059 | 12.92% | 33,073,333 | 12.77% | 33,379,600 | 12.70% |
| Intergovernmental transfers: | | | | | | | | | | |
| Department of Commerce transfer + Special reserve fund | 350,000 | 0.16% | 440,039 | 0.19% | 559,961 | 0.23% | 800,000 | 0.31% | 875,000 | 0.33% |
| OSBM Civil Penalty/Forfeiture Fund | - | - | - | - | - | - | - | - | - | - |
| Collection cost of fines/forfeitures | - | - | 34,450 | 0.01% | 27,657 | 0.01% | 25,534 | 0.01% | 54,627 | 0.02% |
| Net collections to General Fund | - | - | - | - | 115 | 0.00% | 104 | 0.00% | 230 | 0.00% |
| Net collections to General Fund | 189,308,658 | 86.27% | 200,845,242 | 86.74% | 212,608,231 | 86.84% | 225,125,416 | 86.91% | 228,458,572 | 86.94% |

Detail may not add to totals due to rounding.

Amounts shown for local distribution allocations represent amounts placed in reserve during the fiscal year designated and are the computed local government shares based on net collections for the preceding 12-month period ending March 31 of the indicated fiscal year.

The local distribution allocation amount for 2001-02, \$26,690,051, was not distributed to local governments, but was instead transferred to a special reserve fund created by the Governor pursuant to Executive Order dated February 1, 2002; the State retained this allocation to partially offset the budgetary shortfall situation.

+Department of Commerce transfer (G.S.105-113.81A):

Effective July 1, 2007, \$200,000 of the net proceeds of the excise tax collected on unfortified wine was required to be credited to the Department of Commerce on a quarterly basis [previously, the transfer amounted to net proceeds of the excise taxes collected on unfortified and fortified wine bottled in the State (not to exceed \$500,000 annually)]. The earmarked amount was allocated to the North Carolina Wine and Grape Growers Council to promote the North Carolina grape and wine industry and to contract for research and development services to improve viticultural and enological practices in the State. Effective October 1, 2008, S.L. 08-107 amended the quarterly transfer provision stipulating that the original \$200,000 allocation be designated for industry promotion and that an additional \$25,000 of the net proceeds of tax collected on unfortified wine be designated on a quarterly basis for the purpose of research and development. Statutory provisions of the allocation in terms of amount and designation have been periodically adjusted since the enactment of the transfer in 1987 when the annual allocation was capped at \$90,000.

Enactment of House Bill #2377 (Chapter 813, 1989 Session Laws) abolished the requirement to maintain a reserve account for distributing the local government share of beverage tax collections. Beginning with fiscal year 1990-91, an appropriation was established. Effective July 1, 1995, the provision of funds for the allocation changed from an annual appropriation based on the preceding 12-month period ending September 30 to a distribution based on the preceding 12-month period ending March 31 of each year.

*State license taxes for alcoholic beverages were repealed effective May 1, 1999. Amounts shown after this date for license tax collections are delayed payments or refunds.

Collections exclude the following 20% collection fee amounts on overdue tax debts (G.S. 105-243.1):

2002-03:\$4,685; 2003-04:\$474; 2004-05:\$1,112; 2005-06:\$-0-; 2006-07:\$1,170; 2007-08:\$-0-; 2008-09:\$7,297

Liquor surcharge: Pursuant to G.S. 18B-805, the local board pays to the Department of Revenue 1/2 of both the mixed beverages surcharges required by G.S. 18B-804(b)(8) and the guest room cabinet surcharge required by G.S. 18B-804(b)(9).

Pursuant to G.S. 18B-804, alcoholic beverage pricing, a charge of \$20 on each 4 liters and a proportional sum on lesser quantities is assessed on spirituous liquor sold to a mixed beverage permittee for resale in mixed beverages or on spirituous liquor sold to a cabinet guest room permittee for resale.

Effective February 1, 2002, the excise tax rate on liquor sold in ABC stores was reduced from 28% to 25% due to the enactment of a 6% State sales tax on spirituous liquor effective December 1, 2001. Effective October 1, 2005, the 6% State rate increased to the combined general rate of 7% (6.75% effective December 1, 2006).

Effective April 1, 2008, the combined general rate increased from 6.75% to 7%.