

TABLE 13. COLLECTIONS OF FORTIFIED AND UNFORTIFIED WINE EXCISE TAXES AND WINE LICENSES

[§ 105 ARTICLE 2C.]

Fiscal year	Wine Excise Tax											Commerce transfer [formerly credited to DOACS] [\$]
	Fortified wine excise tax				Unfortified wine excise tax				Total wine excise tax net collections [\$]	Wine license collections [\$]	State sales tax rate in effect for period [%]	
	Fortified wine tax collections			Tax rate: [¢ per liter]	Unfortified wine tax collections			Tax rate: [¢ per liter]				
	Total net collections [\$]	State share [\$]	Local share reserve [\$]		Total net collections [\$]	State share [\$]	Local share reserve [\$]					
1997-98.....	1,560,452	1,206,827	353,625	24	7,404,304	2,931,698	4,472,606	21	8,964,756	1,553,568	4	150,000
1998-99.....	1,394,901	1,089,125	305,777	"	7,833,110	3,153,989	4,679,122	"	9,228,011	415,437	"	124,492
1999-00.....	1,448,805	1,142,002	306,803	"	8,504,894	3,492,577	5,012,317	"	9,953,699	7,482	"	209,226
2000-01.....	1,371,315	1,048,072	323,243	"	8,653,912	3,352,529	5,301,382	"	10,025,226	224	"	175,000
2001-02.....	1,248,267	969,375	278,892	"	9,341,280	3,867,305	5,473,975	"	10,589,546	1,770	4.5	298,180
2002-03.....	1,250,035	975,251	274,784	"	10,254,364	4,244,010	6,010,354	"	11,504,399	47	"	350,000
2003-04.....	1,257,801	979,784	278,018	"	11,241,818	4,718,315	6,523,503	"	12,499,620	-	"	350,000
2004-05.....	1,038,294	799,487	238,807	"	11,843,907	4,778,560	7,065,347	"	12,882,202	-	"	350,000
2005-06.....	1,098,362	874,707	223,655	"	13,045,850	5,605,529	7,440,322	"	14,144,213	-	"	440,039
2006-07.....	942,117	735,572	206,545	"	13,536,924	5,231,466	8,305,458	"	14,479,040	-	4.25	559,961
2007-08.....	909,261	709,294	199,967	"	14,722,932	5,810,412	8,912,520	"	15,632,193	-	"	800,000
2008-09.....	848,605	654,421	194,184	"	15,163,494	5,820,567	9,342,927	"	16,012,099	-	4.5	875,000
2009-10.....	854,060	800,853	53,207	24, 29.34	18,701,084	15,569,995	3,131,088	21, 26.34	19,555,143	-	4.5, 5.5, 5.75	-
2010-11.....	814,755	662,955	151,801	29.34	21,407,583	11,112,689	10,294,894	26.34	22,222,338	-	5.75	-
2011-12+.....	788,506	679,918	108,588	"	22,192,483	13,510,010	8,682,473	"	22,980,989	-	4.75	-

Detail may not add to totals due to rounding. State license taxes were repealed effective May 1, 1999. Collections after this date are delayed payments.

+Revised to reflect collections reclassification.

Net collection amounts of fortified and unfortified wine excise taxes are after deduction of refunds and before deductions of local share reserves and transfers to the Department of Commerce to be allocated to the North Carolina Wine and Grape Growers Council.

Legislative changes affecting local share allocation and method of funding payments:

Amounts shown for local share reserve 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 State share reflects the amount of collections transferred to the General Fund for the indicated fiscal year.

The 1993 General Assembly rewrote § 105-113.82 converting the annual *appropriation* of a portion of the net excise taxes collected on the sale of wine during the preceding 12-month period ending September 30 of each year to an annual *distribution* based on sales for the preceding 12-month period ending March 31 of each year. Legislation became effective July 1, 1995.

SL 2009-451, s.27A.4(a), effective September 1, 2009, and applicable to fortified and unfortified wine first sold or otherwise disposed of on or after that date, increased the excise tax rates and, accordingly, reduced the local government distributable share percentages of the fortified and unfortified wine excise taxes net proceeds. The legislation specified a temporary additional reduction in the percentage of the net amount of excise taxes distributable to local governments for the taxes collected during the 12-month collection period ending March 31, 2010.

The fortified wine excise tax rate increased from 24¢ to 29.34¢ per liter and the local government distributable share percentage was reduced from 22% to 18% (6.49% applies for fortified wine excise taxes collected during the 12-month collection period ending March 31, 2010).

The unfortified wine excise tax rate increased from 21¢ to 26.34¢ per liter and the local government distributable share percentage was reduced from 62% to 49.44% (18% applies for fortified wine excise taxes collected during the 12-month collection period ending March 31, 2010).

Fortified/unfortified wine definitions effective October 1, 2004:

*Fortified wine* is wine having an alcoholic content of more than 16% with a maximum content of 24%; under prior law, wine was considered to be fortified if any amount of brandy had been added.

*Unfortified wine* can have brandy added to it as long as the final product does not have an alcoholic content of more than 16%; under prior law, unfortified wine could not have any brandy added.

Alcoholic beverage discount:

Effective for reporting periods beginning on or after August 1, 2004, § 105-113.85 was reenacted to reinstate a discount to wholesalers or importers who both timely file the monthly alcoholic beverage tax report and timely pay the tax due. The discount is 2%. [The discount under prior law was 4% and had been repealed effective for reporting periods beginning on or after August 1, 2003.]

Sales tax rate changes:

The sale price of fortified wine includes State and local sales taxes. (§ 18B-804(c))

Effective October 16, 2001, the rate increased from 4% to 4.5%; effective December 1, 2006, the rate decreased to 4.25%; effective October 1, 2008, the rate increased to 4.5%; effective September 1, 2009, the rate increased to 5.5% (5.75% effective October 1, 2009). Effective July 1, 2011, the rate decreased to 4.75%. Local rate not shown.