

TABLE 13. COLLECTIONS OF FORTIFIED AND UNFORTIFIED WINE EXCISE TAXES AND WINE LICENSES
[G.S. 105 ARTICLE 2C.]

Fiscal year	Wine Excise Tax								Total wine excise tax collections	Wine license collections	State sales tax rate in effect for period	Transfer to Agriculture [effective 8/1/1987]
	Fortified wine excise tax				Unfortified wine excise tax							
	Fortified wine tax collections			Tax rate: See below	Unfortified wine tax collections			Tax rate: See below				
	Total net collections	State share	Local share reserve		Total net collections	State share	Local share reserve					
[\$]	[\$]	[\$]		[\$]	[\$]	[\$]		[\$]	[\$]	[%]	[\$]	
1989-90.....	2,551,505	2,421,632	129,873	\$.24/L	6,375,862	5,348,321	1,027,541	\$.21/L	8,927,367	448,822	3	70,026
1990-91.....	2,465,687	2,465,687	-	"	6,260,218	6,260,218	-	"	8,725,905	447,339	"	67,613
1991-92.....	2,283,027	2,283,027	-	"	5,739,541	5,739,541	-	"	8,022,568	1,270,889	4	80,107
1992-93.....	2,090,872	2,090,872	-	"	5,462,170	5,462,170	-	"	7,553,042	1,471,315	"	80,825
1993-94.....	1,894,108	1,894,108	-	"	5,692,364	5,692,364	-	"	7,586,472	1,526,014	"	93,735
1994-95.....	1,879,918	1,879,918	-	"	6,050,087	6,050,087	-	"	7,930,005	1,478,013	"	94,763
1995-96.....	1,892,250	1,478,212	414,038	"	6,808,590	2,784,792	4,023,798	"	8,700,840	1,523,813	"	102,536
1996-97.....	1,684,012	1,298,266	385,746	"	7,292,528	2,840,617	4,451,911	"	8,976,539	1,504,391	"	90,000
1997-98.....	1,560,452	1,206,827	353,625	"	7,404,304	2,931,698	4,472,606	"	8,964,756	1,553,568	"	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

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 State license taxes were repealed effective May 1, 1999.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.

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 Department of Agriculture and Consumer Services.

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.

On June 21, 1990, the General Assembly enacted HB 2377 (Chapter 813, 1989 Session Laws) which provided for an *appropriation* of monies to fund the distribution of the local government share of beverage taxes, alleviating the necessity for the maintenance of a special reserve account, thereby channeling the "reserve" funds into the General Fund. The local share amounts shown for 1989-90 reflect monies that had already been placed in the share account at such time this legislation went into effect.

The 1993 General Assembly rewrote G.S. 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.

Wine excise tax rate changes and conversion to metric system:

The 1979 General Assembly made changes to wine tax rates and to the percentages used to distribute the local government share of wine proceeds.

(1) Wine excise tax rates were converted to the metric system and were also increased; the rate applicable to fortified wine increased from \$.70 to \$.90 per gallon, or \$.24 per liter; the rate applicable to unfortified wine increased from \$.60 to \$.80 per gallon, or \$.21 per liter. Sales of unfortified or fortified wines manufactured in NC and composed principally of fruits or berries grown in NC was slightly decreased to 1 1/4 cents per liter. Legislation became effective October 1, 1979.

(2) Prior to October 1, 1979, 50% of total net unfortified wine tax proceeds were required to be shared with local governments; effective October 1, 1979, 62% of the unfortified wine tax proceeds and 22% of fortified wine tax proceeds were required to be shared with local governments.

Sales tax rate changes:

The sale price of fortified wine includes state and local sales taxes. (G.S. 18B-804)

Effective July 16, 1991, the state general sales tax rate increased from 3% to 4%; effective October 16, 2001, the rate increased from 4% to 4.5%. Local rate not shown.

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 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, G.S. 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.]