

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 682

Introduced by Vargas, 7.

Read first time January 23, 2019

Committee: General Affairs

- 1 A BILL FOR AN ACT relating to the Nebraska Liquor Control Act; to amend
- 2 sections 53-101, 53-103, and 53-160, Revised Statutes Cumulative
- 3 Supplement, 2018; to define a term; to provide for taxing spirits by
- 4 proof gallon; to harmonize provisions; and to repeal the original
- 5 sections.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 53-101, Revised Statutes Cumulative Supplement,
2 2018, is amended to read:

3 53-101 Sections 53-101 to 53-1,122 and sections 3 and 5 of this act
4 shall be known and may be cited as the Nebraska Liquor Control Act.

5 Sec. 2. Section 53-103, Revised Statutes Cumulative Supplement,
6 2018, is amended to read:

7 53-103 For purposes of the Nebraska Liquor Control Act, the
8 definitions found in sections 53-103.01 to 53-103.47 and section 3 of
9 this act apply.

10 Sec. 3. Proof gallon means a gallon of spirits that is fifty
11 percent alcohol.

12 Sec. 4. Section 53-160, Revised Statutes Cumulative Supplement,
13 2018, is amended to read:

14 53-160 (1) For the purpose of raising revenue, a tax is imposed upon
15 the privilege of engaging in business as a manufacturer or a wholesaler
16 at a rate of thirty-one cents per gallon on all beer; ninety-five cents
17 per gallon for wine, except for wines produced and released from bond in
18 farm wineries; six cents per gallon for wine produced and released from
19 bond in farm wineries; and three dollars and seventy-five cents per proof
20 gallon on alcohol and spirits manufactured and sold by such manufacturer
21 or shipped for sale in this state by such wholesaler in the course of
22 such business. The gallonage tax imposed by this subsection shall be
23 imposed only on alcoholic liquor upon which a federal excise tax is
24 imposed.

25 (2) Manufacturers or wholesalers of alcoholic liquor shall be exempt
26 from the payment of the gallonage tax on such alcoholic liquor upon
27 satisfactory proof, including bills of lading furnished to the commission
28 by affidavit or otherwise as the commission may require, that such
29 alcoholic liquor was manufactured in this state but shipped out of the
30 state for sale and consumption outside this state.

31 (3) Dry wines or fortified wines manufactured or shipped into this

1 state solely and exclusively for sacramental purposes and uses shall not
2 be subject to the gallonage tax.

3 (4) The gallonage tax shall not be imposed upon any alcoholic
4 liquor, whether manufactured in or shipped into this state, when sold to
5 a licensed nonbeverage user for use in the manufacture of any of the
6 following when such products are unfit for beverage purposes: Patent and
7 proprietary medicines and medicinal, antiseptic, and toilet preparations;
8 flavoring extracts, syrups, food products, and confections or candy;
9 scientific, industrial, and chemical products, except denatured alcohol;
10 or products for scientific, chemical, experimental, or mechanical
11 purposes.

12 (5) Spirits shall be taxed as proof gallons upon such identification
13 made pursuant to section 5 of this act.

14 ~~(6)~~ (5) The gallonage tax shall not be imposed upon the privilege of
15 engaging in any business in interstate commerce or otherwise, which
16 business may not, under the Constitution and statutes of the United
17 States, be made the subject of taxation by this state.

18 ~~(7)~~ (6) The gallonage tax shall be in addition to all other
19 occupation or privilege taxes imposed by this state or by any municipal
20 corporation or political subdivision thereof.

21 ~~(8)~~ (7) The commission shall collect the gallonage tax and shall
22 account for and remit to the State Treasurer at least once each week all
23 money collected pursuant to this section. If any alcoholic liquor
24 manufactured in or shipped into this state is sold to a licensed
25 manufacturer or wholesaler of this state to be used solely as an
26 ingredient in the manufacture of any beverage for human consumption, the
27 tax imposed upon such manufacturer or wholesaler shall be reduced by the
28 amount of the taxes which have been paid as to such alcoholic liquor so
29 used under the Nebraska Liquor Control Act. The net proceeds of all
30 revenue arising under this section shall be credited to the General Fund.

31 Sec. 5. (1) The commission shall create a mechanism to identify the

1 alcohol by volume of spirits distributed in Nebraska. This mechanism may
2 be a brand or label registration system.

3 (2) Proof gallons shall be calculated by multiplying the gallons per
4 case of spirits by the alcohol percentage of the spirits divided by fifty
5 percent alcohol.

6 Sec. 6. Original sections 53-101, 53-103, and 53-160, Revised
7 Statutes Cumulative Supplement, 2018, are repealed.