

SENATE, No. 1946

STATE OF NEW JERSEY

INTRODUCED MARCH 20, 1997

By Senator LITTELL

1 AN ACT concerning the taxation of certain apple ciders under the  
2 alcoholic beverage tax law, amending R.S.54:41-2 and R.S.54:43-1.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6

7 1. R.S.54:41-2 is amended to read as follows:

8 54:41-1. As used in this subtitle:

9 "Alcoholic beverages" means liquors, beer, wines and sparkling  
10 wine, as defined in this section.

11 "Beer" means beer, lager beer, ale, stout, porter, and all similar  
12 fermented malt beverages having an alcoholic content of one-half of  
13 one per centum (  $\frac{1}{2}$  of 1%) or more by volume.

14 "Bonded warehouse" means the warehouse of any licensed  
15 manufacturer or licensed wholesaler or licensed warehouseman for  
16 which the licensee has given special security to obtain certain  
17 privileges given by this subtitle.

18 "Bureau" means the Beverage Tax Bureau of the Division of  
19 Taxation in the State Department of Taxation and Finance.

20 "Cider" means a product made from the alcoholic fermentation of  
21 the juice of apples, including but not limited to flavored, sparkling or  
22 carbonated cider.

23 "Commissioner," "State Tax Commissioner" or "Director"  
24 means the Director of the Division of Taxation in the State  
25 Department of Taxation and Finance.

26 "Container" means the receptacle immediately surrounding the  
27 alcoholic beverage and not the carton, box, case, sack, bag or other  
28 covering in which such containers may be packed, placed, or  
29 transported.

30 "Department," "State Tax Department," or "Beverage Tax  
31 Bureau" means the Division of Taxation in the State Department of  
32 Taxation and Finance.

33 "Licensed manufacturer" means any person holding a valid and  
34 unrevoked brewery, winery, distillery, or rectifier's license issued

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.**

**Matter underlined thus is new matter.**

1 pursuant to the provisions of any relevant law of this State.

2 "Licensed transporter" means any person holding a valid and  
3 unrevoked license or permit to transport alcoholic beverages pursuant  
4 to the provisions of any relevant law of this State.

5 "Licensee" means the holder of any valid and unrevoked license or  
6 special permit issued pursuant to any relevant law of this State,  
7 pertaining to alcoholic beverages.

8 "Liquors" means all distilled or rectified spirits, alcohol, brandy,  
9 whisky, rum, gin and all similar distilled alcoholic beverages, including  
10 all dilutions and mixtures of one or more of the foregoing, such as  
11 liqueurs, cordials, and similar compounds, having an alcoholic content  
12 of one-half of one per centum (  $1/2$  of 1%) or more by volume.

13 "Manufacturer" means any person holding a valid and unrevoked  
14 brewery, winery, distillery, supplemental limited distillery, or rectifier  
15 and blender's license, issued pursuant to the provisions of any relevant  
16 law of this State.

17 "Person" means a natural person, an association, a partnership or  
18 a corporation.

19 "Plenary retail transit licensee" means any person holding a valid  
20 and unrevoked plenary retail transit license issued pursuant to any  
21 relevant law of this State, authorizing the sale of alcoholic beverages  
22 for consumption only, on railroad trains, airplanes, and boats, while  
23 in transit in this State.

24 "Return" means the return of alcoholic beverages by a customer to  
25 the source from which such beverages were obtained, upon the  
26 cancellation of a sale, and shall include: (a) actual receipt of the  
27 beverages on the licensed premises of the source or in a licensed public  
28 warehouse for the account of the source; or (b) the sending of the  
29 beverages by the customer to another person upon instructions of the  
30 source; but shall not include any other disposition, such as samples,  
31 breakage, shortage, merchandising credits, or beverages dumped on  
32 the premises of the customer, except where such dumping is done  
33 under the supervision of the Director or his representative.

34 "Sale" means and includes, in addition to its ordinary meaning, any  
35 exchange, gift, loss, theft, or other disposition. In every case where  
36 alcoholic beverages are exchanged, given, lost, stolen or otherwise  
37 disposed of, they shall be deemed to have been sold, unless, in case of  
38 loss by fire, proof is furnished to the satisfaction of the commissioner,  
39 that the alcoholic beverages have been so destroyed that they could  
40 not have been put to any use.

41 "Sparkling wine" means champagne and other effervescent wine  
42 charged with carbon dioxide, whether artificially or as the result of  
43 secondary fermentation of the wine within the container.

44 "State licensee" means any person holding a valid and unrevoked  
45 license or special permit, issued by the State Commissioner of  
46 Alcoholic Beverage Control, and who has posted a bond with the

1 Director to secure the payment of the alcoholic beverage taxes.

2 "Taxpayer" means a person chargeable with the payment of a tax  
3 pursuant to the provisions of this subtitle.

4 "Transportation licensee" means any person holding a valid and  
5 unrevoked license or special permit to transport alcoholic beverages  
6 pursuant to the provisions of any relevant law of this State.

7 "Treasurer" means the Treasurer of the State of New Jersey.

8 "Vermouth" means any compound made by the mixture of extracts  
9 from macerated aromatic flavoring materials with wines and  
10 manufactured in such manner that the product possesses the taste,  
11 aroma, and characteristics generally attributed to vermouth.

12 "Warehouse receipt" means a certificate or receipt given upon the  
13 storage of alcoholic beverages in a United States custom or United  
14 States internal revenue warehouse under federal bond.

15 "Warehouse receipts licensee" means any person holding a valid  
16 and unrevoked warehouse receipts license issued pursuant to any  
17 relevant law of this State.

18 "Wines" means all wines whether known as "dry wines," "sweet  
19 wines," "still wines," or "fortified wines" and any artificial or  
20 imitation wine or compound sold as wine, and any fruit juice  
21 containing one-half of one per centum ( $1/2$  of 1%) or more of alcohol  
22 by volume, and any other beverage containing alcohol produced by the  
23 fermentation of the natural sugar content of fruits or other agricultural  
24 products containing sugar, which beverage contains one-half of one  
25 per centum ( $1/2$  of 1%) or more of alcohol by volume, but shall not  
26 mean or include vermouth, or cider containing less than three and  
27 two-tenths per centum ( $3 \frac{2}{10}$  %) of alcohol by volume.

28 (cf: P.L.1947, c.18, s.1)

29

30 2. R.S.54:43-1 is amended to read as follows:

31 54:43-1. Tax rates. There are hereby levied and imposed upon any  
32 sale of alcoholic beverages made within this State or upon any  
33 delivery of alcoholic beverages made within or into this State the  
34 following excise taxes:

35 a. Beer--From July 1, 1990 through June 30, 1992, at the rate of  
36 \$0.10 a gallon or fraction thereof and on or after July 1, 1992, at the  
37 rate of \$0.12 a gallon or fraction thereof.

38 b. Liquors--From July 1, 1990 through June 30, 1992, at the rate  
39 of \$4.20 a gallon and on or after July 1, 1992, at the rate of \$4.40 a  
40 gallon.

41 c. (Deleted by amendment, P.L.1972, c.53.)

42 d. (Deleted by amendment, P.L.1972, c.53.)

43 e. Wines, vermouth and sparkling wines--From July 1, 1990  
44 through June 30, 1992, at the rate of \$0.50 a gallon and on or after  
45 July 1, 1992, at the rate of \$0.70 a gallon ; provided however, that on  
46 and after July 1, 1997 cider containing at least three and two-tenths

1 per centum (3 2/10 %) of alcohol by volume but not more than 7 per  
2 centum (7%) of alcohol by volume shall be taxed at the rate of \$0.12  
3 a gallon .

4 (cf: P.L.1990, c.41, s.1)

5

6 3. This act shall take effect immediately but remain inoperative  
7 until July 1, 1997.

8

9

10 STATEMENT

11

12 This bill provides an alcoholic beverage tax rate for certain apple  
13 cider that is similar to the tax rate on beer, instead of taxing that cider  
14 at the same rate as wine.

15 Currently, the alcoholic beverage tax is imposed on beer at the rate  
16 of \$.12 per gallon and on wine at the rate of \$.70 per gallon. This bill  
17 provides a tax rate of \$.12 per gallon for cider that has an alcoholic  
18 content of 3.2% or more up to 7%, a rate more similar to the rate for  
19 beer.

20

21

22

23

24 \_\_\_\_\_  
25 Reduces alcoholic beverage tax rate on certain apple cider from \$.70  
per gallon wine rate to \$.12 per gallon.