

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 778 (Delegate Giannetti. *et al.*)

Economic Matters

Alcoholic Beverages - Gift Basket Permit

This bill creates a State gift basket permit priced at \$300 per year. A permit holder may acquire wine products from a licensed retail dealer to include in gift baskets and may, on behalf of a client, deliver a gift basket to an individual of legal drinking age. A gift basket may include any number of bottles of wine but the total retail value of the wine may not exceed 25% of the value of the gift basket. To qualify for a gift basket permit, individuals may not own any other alcoholic beverages licenses and must produce and deliver gift baskets as their primary business.

Fiscal Summary

State Effect: The State would realize \$300 for each new gift basket permit issued due to the issuing fees. It is not known how many permits would be issued. If more wine is sold in Maryland, tax revenues would also increase. Licensees could be monitored with the existing resources of the Office of the Comptroller.

Local Effect: Potential minimal increase in sales revenues for counties that distribute wine through stores operated by the county.

Small Business Effect: Potential meaningful.

Analysis

Current Law: There is no State gift basket permit.

State Revenues: State revenues would increase by \$300 for each gift basket permit issued. It is unknown how many permits will be issued. Assuming two licenses per jurisdiction,

annual revenues could increase by \$14,400. Due to the October 1, 2000, effective date, the first licenses could be issued in fiscal 2001. In addition to licensing revenues, if the availability of the license increases wine sales in the State, additional tax revenue could also be realized.

Small Business Effect: Small businesses that produce gift baskets could benefit from the ability to add wine to the baskets. Small business wine retailers may also realize a minimal increase in wine sales.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Office of the Comptroller (Alcohol and Tobacco Tax Division), Department of Legislative Services

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