

SENATE
STATE OF MINNESOTA
NINETIETH SESSION

S.F. No. 3854

(SENATE AUTHORS: SPARKS)

DATE
03/29/2018

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Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to taxation; liquor; modifying the small winery excise tax credit; amending
1.3 Minnesota Statutes 2017 Supplement, section 297G.03, subdivision 6.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. Minnesota Statutes 2017 Supplement, section 297G.03, subdivision 6, is
1.6 amended to read:

1.7 Subd. 6. **Small Winery credit.** (a) A qualified winery producing wine or cider is entitled
1.8 to a tax credit equal to the excise tax due under subdivision 1, paragraphs (b) to (g), on the
1.9 wine or cider sold in any fiscal year beginning July 1. A qualified winery may take the credit
1.10 on the 18th day of each month, but the total credit allowed may not exceed, in any fiscal
1.11 year, the lesser of:

1.12 (1) the liability for tax; or

1.13 (2) \$136,275.

1.14 (b) For purposes of this subdivision, "qualified winery" means a winery, whether or not
1.15 located in this state, that manufactured fewer than 75,000 gallons of wine excluding cider,
1.16 and fewer than 25,000 barrels of cider in the calendar year immediately preceding the fiscal
1.17 year for which the credit under this subdivision is claimed.

1.18 (c) By February 15 of each year, beginning in 2019, the commissioner of revenue shall
1.19 provide a report to the chairs and ranking minority members of the legislative committees
1.20 having jurisdiction over taxes that includes the following information for the previous fiscal
1.21 year, regarding the credit authorized under this subdivision:

2.1 (1) the total amount of the tax expenditure for the credit, including the amount of credits
2.2 claimed by Minnesota small wineries and out-of-state small wineries; and

2.3 (2) the number of claimants for the credit, including the number of Minnesota small
2.4 wineries and the number of out-of-state small wineries.

2.5 **EFFECTIVE DATE.** This section is effective for wine and cider sold after June 30,
2.6 2018.