

**297G.03 DISTILLED SPIRITS AND WINE; RATE OF TAX.**

Subdivision 1. **General rate; distilled spirits and wine.** The following excise tax is imposed on all distilled spirits and wine manufactured, imported, sold, or possessed in this state:

	Standard	Metric
(a) Distilled spirits, liqueurs, cordials, and specialties regardless of alcohol content (excluding ethyl alcohol)	\$ 5.03 per gallon	\$ 1.33 per liter
(b) Wine containing 14 percent or less alcohol by volume (except cider as defined in section 297G.01, subdivision 3a)	\$ .30 per gallon	\$ .08 per liter
(c) Wine containing more than 14 percent but not more than 21 percent alcohol by volume	\$ .95 per gallon	\$ .25 per liter
(d) Wine containing more than 21 percent but not more than 24 percent alcohol by volume	\$ 1.82 per gallon	\$ .48 per liter
(e) Wine containing more than 24 percent alcohol by volume	\$ 3.52 per gallon	\$ .93 per liter
(f) Natural and artificial sparkling wines containing alcohol	\$ 1.82 per gallon	\$ .48 per liter
(g) Cider as defined in section 297G.01, subdivision 3a	\$ .15 per gallon	\$ .04 per liter
(h) Low-alcohol dairy cocktails	\$ .08 per gallon	\$ .02 per liter

In computing the tax on a package of distilled spirits or wine, a proportional tax at a like rate on all fractional parts of a gallon or liter must be paid, except that the tax on a fractional part of a gallon less than 1/16 of a gallon is the same as for 1/16 of a gallon.

Subd. 2. **Tax on miniatures; distilled spirits.** The tax on miniatures is 14 cents per bottle.

Subd. 3. **Tax is metric.** The metric tax is imposed on all products taxable under this section when the net contents are stated in metric units of measure. The commissioner may establish by rule a date and procedure for the conversion of excise tax computation and reporting from rates expressed in gallons to rates expressed in metric volumes. The official conversion factor is one liter equals 0.264172 United States gallons.

Subd. 4. **Bottle tax.** A tax of one cent is imposed on each bottle or container of distilled spirits and wine except as provided in 297G.07, subdivision 3. The wholesaler is responsible for the payment of this tax when the bottles of distilled spirits and wine are removed from inventory for sale, delivery, or shipment.

Subd. 5. **Microdistillery credit.** (a) A qualified distiller producing distilled spirits is entitled to a tax credit of \$1.33 per liter on 100,000 liters sold in any fiscal year beginning July 1. A qualified distiller may take the credit on the 18th day of each month, but the total credit allowed may not exceed in any fiscal year the lesser of:

- (1) the liability for tax; or
- (2) \$133,000.

(b) For purposes of this subdivision, "qualified distiller" means a microdistillery qualifying under section 340A.101, subdivision 17a, in the calendar year immediately preceding the calendar year for which the credit under this subdivision is claimed.

**History:** 1997 c 179 art 1 s 3; 1998 c 389 art 8 s 23; 1Sp2003 c 21 art 9 s 12; 2014 c 308 art 3 s 17