

SESSION OF 2022

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2710**

As Amended by Senate Committee on Federal  
and State Affairs

**Brief\***

HB 2710, as amended, would amend the Kansas Liquor Control Act's definitions of certain domestic wine classifications to raise the alcohol level and would make a corresponding amendment to current law concerning gallonage taxes.

The bill would amend the definition of domestic fortified wine to include wine manufactured in Kansas of more than 16.0 percent alcohol by volume (ABV) but no more than 20.0 percent ABV. Current law defines such wine as having more than 14.0 percent ABV and a maximum of 20.0 percent ABV.

The bill would amend the definition of domestic table wine to include wine manufactured in Kansas with no more than 16.0 percent ABV. Current law defines such wine as having a maximum of 14.0 percent ABV.

The bill also would make corresponding changes to current statutory provisions on gallonage taxes to replace references to 14.0 percent ABV with 16.0 percent ABV.

The bill would be in effect upon publication in the *Kansas Register*.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

## **Background**

The bill was introduced by the House Committee on Federal and State Affairs at the request of the Wine Institute.

### ***House Committee on Federal and State Affairs***

In the House Committee hearing on March 1, 2022, representatives of the Kansas Wine & Spirits Wholesalers Association and the Wine Institute provided **proponent** testimony, stating the bill would conform Kansas law with recently amended federal liquor law provisions on ABV classifications for wine and associated taxes.

Neutral testimony was provided by the Director of the Alcoholic Beverage Control Division, Department of Revenue (ABC), who stated the bill would reduce the amount of gallonage taxes collected in the state, but the ABC is unable to provide an estimate of the impact.

No other testimony was provided.

On March 1, 2022, the House Committee recommended the bill be placed on the Consent Calendar.

### ***Senate Committee on Federal and State Affairs***

In the Senate Committee hearing on March 21, 2022, representatives of the Kansas Wine & Spirits Wholesalers Association and the Wine Institute provided **proponent** testimony stating the bill would conform Kansas law with recently amended federal liquor law provisions on ABV classifications for wine and associated taxes.

Neutral testimony was provided by the Director of ABC.

No other testimony was provided.

The Senate Committee amended the bill to change the enactment date to upon publication in the *Kansas Register*.

### **Fiscal Information**

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Department of Revenue indicates enactment of the bill would decrease revenues from gallonage tax collections, but the fiscal impact could not be estimated. Any fiscal effect associated with the bill is not reflected in *The FY 2023 Governor's Budget Report*.

Gallonage tax; Kansas Liquor Control Act; domestic fortified wine; domestic table wine