



SPONSOR: Rep. Oberle Sen. DeLuca
 Cathcart Cook
 Gilligan Still
 Keeley Adams
 Blevins

HOUSE OF REPRESENTATIVES
144th GENERAL ASSEMBLY

HOUSE BILL NO. 518

AN ACT TO AMEND CHAPTER 5, TITLE 4 OF THE DELAWARE CODE RELATING TO TAXES ON ALCOHOLIC BEVERAGES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE (Three-fifths of all members elected to each house thereof concurring therein):

1 Section 1. Amend § 581(d), Title 4, Delaware Code, by striking said subsection in its entirety and inserting in lieu
2 thereof a new subsection (d) to read as follows:

3 “(d) The tax payable under this section shall be as follows:

4 (1) For each barrel of beer, \$7.28.

5 (2) For each gallon of cider, \$0.24.

6 (3) For each gallon of wine, \$1.46.

7 (4) For each gallon of spirits containing 25 percent or less of ethyl alcohol by volume, \$3.75.

8 (5) For each gallon of spirits containing more than 25 percent ethyl alcohol by volume, \$5.63.

9 (6) For each gallon of alcohol per gallon of ethyl alcohol contained, \$7.28, except that the tax of \$7.28
10 shall not apply to the purchase of alcohol by pharmacists, physicians, dentists, veterinarians, wholesale druggists
11 or manufacturing plants where the alcohol is used in scientific work, for the manufacture of pharmaceutical
12 products, or for use in the manufacture or compounding of preparations unfit for beverage purposes.”

13 Section 2. This Act shall apply to all alcoholic liquor purchased and received from any manufacturer or
14 importer on or after October 1, 2008. The Act shall also apply to all alcoholic liquor floor stock or inventories
15 purchased and received by licensed Delaware importers which are resting in the State on October 1, 2008,
16 notwithstanding that said alcoholic liquor was purchased from any manufacturer or importer prior to October 1, 2008.
17 The tax on such floor stock or inventories shall be an amount equal to the difference between the amount of tax
18 already paid on such floor stock or inventories and the increased amount of tax specified by this Act. Reporting of the
19 tax on such floor stock or inventories shall be accomplished in accordance with Commission rules; provided, however,

20 that payment of the tax on the floor stock or inventories shall be made on or before April 1, 2009. The Commission
21 shall be authorized to promulgate regulations having the force and effect of law to provide for the implementation and
22 enforcement of the provisions of this Act.

SYNOPSIS

This Act increases by 50% the State's alcoholic beverage tax rates.