

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas  
93rd General Assembly  
Regular Session, 2021

# A Bill

HOUSE BILL 1370

By: Representative Bryant

## For An Act To Be Entitled

AN ACT TO AMEND THE DIRECT SHIPMENT OF VINOUS LIQUOR ACT; TO INCLUDE AN ESTABLISHMENT THAT PRODUCES MEAD IN THE DEFINITION OF "SMALL FARM WINERY"; TO ALLOW A SMALL FARM WINERY TO SHIP MEAD DIRECTLY TO CONSUMERS IN STATE OR OUT OF STATE IN THE SAME MANNER AS SMALL FARM WINE; TO TAX MEAD IN THE SAME MANNER AS WINE; AND FOR OTHER PURPOSES.

## Subtitle

TO AMEND THE DIRECT SHIPMENT OF VINOUS LIQUOR ACT; TO INCLUDE AN ESTABLISHMENT THAT PRODUCES MEAD IN THE DEFINITION OF "SMALL FARM WINERY"; TO ALLOW MEAD SHIPMENT DIRECTLY TO CONSUMERS; AND TO TAX MEAD IN THE SAME MANNER AS WINE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 3-5-1605, concerning license fees and taxes generally for small wineries, is amended to add an additional subsection to read as follows:

(d) Tax on mead, as defined in § 3-5-1702, shall be imposed, assessed, and levied in the same manner as wine.

SECTION 2. Arkansas Code § 3-5-1702(1), concerning the definition of "small farm winery" in the Direct Shipment of Vinous Liquor Act, is amended to read as follows:



(1)(A) "Small farm winery" means a wine-making establishment that:

- ~~(A)(i)~~ Is licensed under § 3-5-1601 et seq.; and
  - ~~(B)(ii)~~ Produced by fermentation at least eight hundred gallons (800 gals.) of wine in the previous calendar year, as reported on the winery's TTB F 5120-17 Report of Wine Premises Operations.
- (B) "Small farm winery" includes an establishment that produces mead;

SECTION 3. Arkansas Code § 3-5-1702, concerning the definitions used in the Direct Shipment of Vinous Liquor Act, is amended to add an additional subdivision to read as follows:

(4)(A) "Mead" means an alcoholic beverage made through the fermentation of honey as the primary ingredient.

(B) "Mead" includes without limitation cyser, braggot, metheglin, and melomels.

SECTION 4. Arkansas Code § 3-5-1709(a)(1), concerning the shipment of small farm winery wine, is amended to read as follows:

(a)(1) A small farm winery licensee with a wine wholesale permit under § 3-5-1602(c)(1)(E) may ship small farm winery wine or mead under this subchapter to a private resident without the private resident having been physically present or having made an in-person purchase at the small farm winery if the shipment includes only small farm winery wine or mead.

SECTION 5. Arkansas Code § 3-5-1709(c), concerning the amount of small farm winery that may be shipped directly to a consumer per month, is amended to read as follows:

(c) A small farm winery may ship only one (1) case of small farm winery wine and one (1) case of mead per private resident in any month.

SECTION 6. Arkansas Code § 3-5-1709(d), concerning the label on a shipment of small farm winery wine, is amended to read as follows:

(d) A small farm winery shipping under this subchapter shall ensure that all containers of small farm winery wine or mead delivered within this state are conspicuously labeled as follows:

“CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE 21 OR OLDER REQUIRED FOR DELIVERY”.

SECTION 7. Arkansas Code § 3-5-1709(e), concerning taxes due on the direct shipment of small farm winery wine, is amended to add an additional subdivision to read as follows:

(4) A small farm winery shipping mead under this section shall collect all taxes due on the mead in the same manner as required for wine.

SECTION 8. Arkansas Code § 3-5-1709(f), concerning the records required to be maintained by a small farm winery, is amended to read as follows:

(f) A small farm winery that makes a direct shipment of small farm winery wine or mead under this section shall maintain records regarding each shipment of small farm winery wine or mead that include the:

(1) Name and address of the person to whom the small farm winery wine or mead is:

- (A) Sold; and
- (B) Billed; and

(2) Date of shipment.

SECTION 9. Arkansas Code § 3-7-101 is amended to read as follows:

3-7-101. Purpose.

It is declared not to be the purpose of §§ 3-7-101 – 3-7-104 and 3-7-106 – 3-7-110 to impose a duplicate or double license tax on the manufacturing, selling, blending, rectifying, or mixing in this state, or transporting in this state of spirituous liquors, vinous liquors, wines other than Arkansas wines, mead, or beer or malt beverages, as measured by the quantity of spirituous liquors, vinous liquors, wines other than Arkansas wines, mead, or beer or malt beverages, manufactured, sold, blended, rectified, mixed, or transported in or into this state in conformity thereto, and any other license tax imposed by law heretofore passed is declared to be a privilege tax or permit fee.

SECTION 10. Arkansas Code § 3-7-104, concerning rate of excise tax related to certain alcoholic beverages, is amended to add an additional

subdivision to read as follows:

(8) Mead, as defined in § 3-5-1702, shall be taxed in the same manner as vinous liquor or light wine as provided in this section, depending on the alcohol content.

SECTION 11. Arkansas Code § 3-7-111, concerning additional taxes on alcoholic beverages, is amended to add an additional subsection to read as follows:

(c) Mead, as defined in § 3-5-1702, shall be taxed in the same manner as wine.

SECTION 12. Arkansas Code § 3-7-201(a)(1), concerning the special alcoholic beverage excise tax imposed on all retail receipts or proceeds, is amended to read as follows:

(a)(1)(A) There is levied a special alcoholic beverage excise tax of three percent (3%) upon all retail receipts or proceeds derived from the sale of liquor, cordials, liqueurs, specialties, ~~and~~ sparkling and still wines, and mead.

(B) The tax ~~shall be and~~ is in addition to all other taxes now imposed and cumulative to the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.