Virginia Alcoholic Beverage Control Authority

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October 14, 2021

<u>Via Electronic Mail</u> The Honorable Janet D. Howell, Chair Senate Finance and Appropriations Committee

The Honorable Luke E. Torian, Chair House Appropriations Committee

Mr. Daniel Timberlake Director of Department of Planning and Budget

Mr. Kirk Wiles, Chair Virginia Wine Board

Re: Amended Wine Liter Tax Collections FY-2020

Chairs Howell, Torian, Wiles and Director Timberlake:

This letter serves as an amendment to the original FY 2020 wine liter tax collections letter. Item 394 C of the 2020 Appropriations Act requires that the Virginia Alcoholic Beverage Control Authority report the prior fiscal year dollar amount of total wine liter tax collections in Virginia. In Fiscal Year 2020, the dollar amount of total wine liter tax collections in Virginia was \$43,334,028.56. Of that total, \$201,084.82 is attributable to the sale of Virginia wine in ABC stores, and \$1,834,328.88 is attributable to the sale of Virginia wine by Farm Wineries and Distributors. 4.8% of the total wine liter tax collections were attributable to the sale of Virginia wine.

In Fiscal Year 2020, the dollar amount of total cider liter tax collections in Virginia was \$818,413.83. Of that total, \$447,384.91 is attributable to the sale of Virginia Cider by Farm Wineries and Distributors.

The purpose of this amended letter is to provide the corrected amounts that should be dedicated to the Virginia Wine Promotion Fund, administered by the Virginia Wine Board. The



original letter dated, September 1, 2020, reported the incorrect amount for the sale of Virginia wine by Farm Wineries and Distributors. The letter reported \$1,363,938.16 when it should have reported \$1,834,328.88 which results in a difference of \$470,390.72. The \$470,390.72 difference is accounted for in the tax collected for Virginia wine sold by Distributors. All funds were properly transferred by Virginia ABC, however, the Wine Promotion Fund did not receive all revenue attributable to the sale of Virginia wine due to the under reporting in the original letter.

Virginia Alcoholic Beverage Control Authority

By Allom for L A. Jerome Fowlkes

A. Jerome Fowlkes Chief Administrative Officer

cc: The Honorable Bettina Ring, Secretary of Agriculture and Forestry Annette Boyd, Wine Marketing Office

