

PROGRAM DESCRIPTION

Department of Public Safety

HB Section(s): 8.150

Program Name: Revenue Collection and Licensing

Program is found in the following core budget(s): ATC Core Budget

1a. What strategic priority does this program address?

Improve efficiency of collections and licensing through operational effectiveness and transitioning to an electronic license application system.

1b. What does this program do?

This program collects excise taxes on all alcoholic beverages sold in Missouri using an operationally effective electronic excise tax collection system. In addition, the program is in the process of providing an electronic licensing and case management system that will provide for online licensing and license fee collections.

- \$41 million annual excise tax collections on liquor, beer and wine.
- The excise taxes are verified annually by performing over 15,000 desk and field audits to ensure accurate reporting and proper payment of taxes.
- \$4.65 million annual license fee collections.
- 70% of license fee collections are credited to the Division of Alcohol and Tobacco Control Fund created in SB 373, and 30% is credited to the General Revenue Fund.
- Over 32,000 license applications and renewals are processed annually.

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2a. Provide an activity measure(s) for the program.

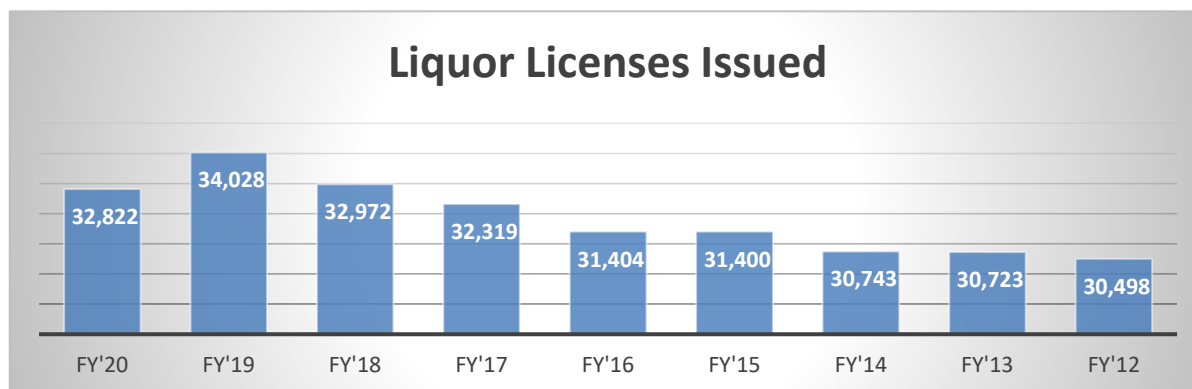
ATC provides licensing to approximately 15,000 liquor licensees throughout the state of Missouri. In addition, licensing compliance affects all citizens in Missouri by providing a safer environment enhanced by licensees adherence to laws. A total of 32,822 licenses were issued in FY'20, of which some are secondary licenses, out of state licenses, and transportation licenses.

FY'20 - License Types Total

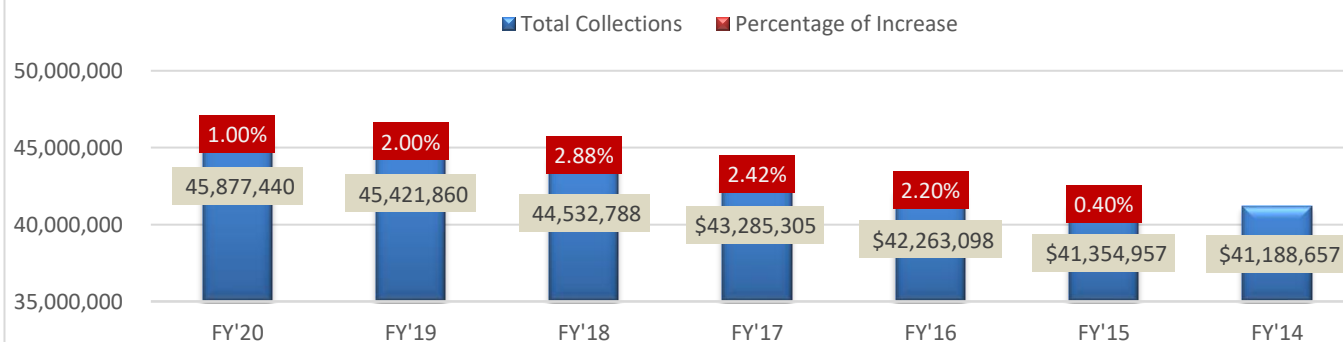
Number of Licenses Issued by Type:

Manufacturers	235
Wine Direct Shippers	1,524
Microbrewers	89
Domestic Wineries	84
Solicitors	1,109
Wholesalers	277
Retailers	29,504
Total Licenses Issued	<u>32,822</u>

Liquor Licenses Issued



Percentage of Increase in Collections



Benefactors of revenue collections are citizens of the state of Missouri, who are better served when all excise taxes and licensing fees that are due the state of Missouri are collected and utilized.

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2b. Provide a measure(s) of the program's quality.

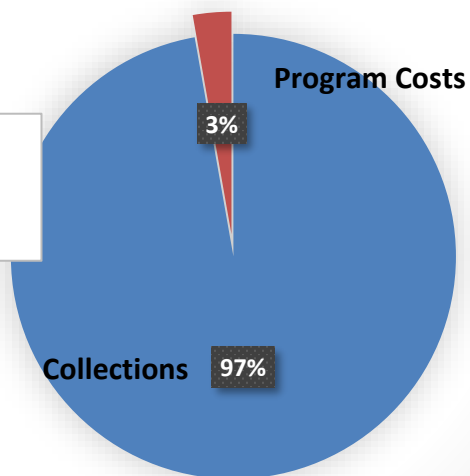
ATC's excise tax process involves 100% reconciliation between suppliers and wholesalers, which attributes to assurances that ATC is collecting all the excise taxes due to the state of Missouri on intoxicating liquor products. The online excise tax system allows licensees to enter the data, either manually or electronically, and the system generates the reconciliations. ATC will follow up on any differences that weren't reconciled during the match up process.

2c. Provide a measure(s) of the program's impact.

The Revenue Collection and Licensing program issues liquor licenses, primary and secondary, to over 15,000 businesses and collects over \$45 million in licensing fees and excise taxes with minimal costs. More importantly, the program helps to ensure the safety of our citizens by verifying that the proper individuals have the ability to sell alcohol in our State.

Program Costs as Compared to Revenue Collections - FY'2020

Program Cost - \$992,659
Revenue Collections - \$45,877,440



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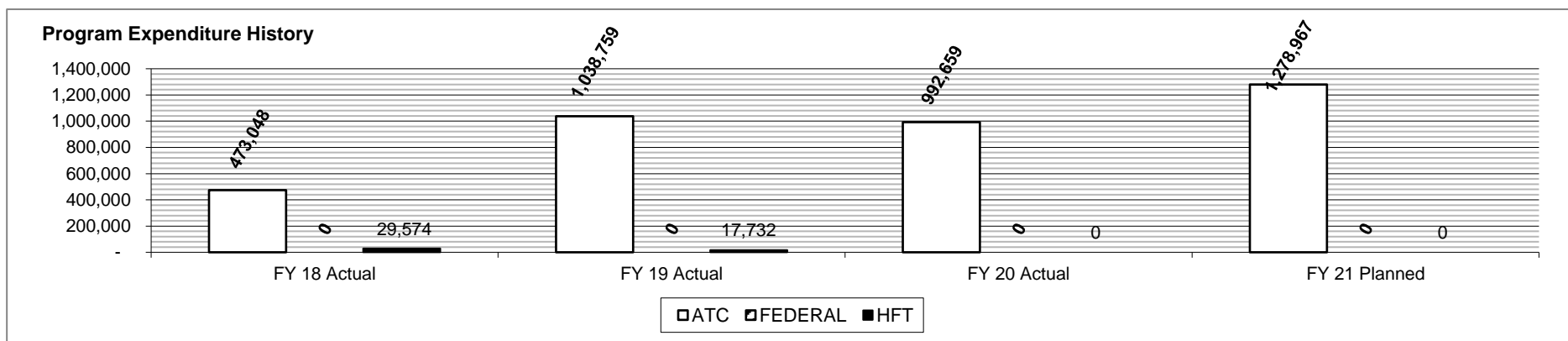
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2d. Provide a measure(s) of the program's efficiency.

ATC is streamlining the licensing process by implementing an online licensing and case management system to improve applicants' experience. ATC is at the beginning of the process (6% completed). The system is complex and complicated to implement, but will reduce license processing from 10-21 days to a projected 7-10 days.

3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)



4. What are the sources of the "Other " funds?

In FY'2018 and FY'2019, the source of ATC's Other funds came from the ATC Dedicated Fund and the Healthy Family Trust Funds (HFT). In FY'20, the HFT funds were eliminated, and the core funding was transferred to the ATC Dedicated Fund.

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Excise taxes on spirits and wine products are mandated by Sections 311.550 and 311.554, RSMo. The excise taxes on malt liquor are mandated by Section 311.520, RSMo. Also Section 311.610.4, RSMo, mandates licensing.

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6. Are there federal matching requirements? If yes, please explain.

No

7. Is this a federally mandated program? If yes, please explain.

No