

December 1997

POSSIBLE EMERGENCY MEDICAL SERVICES FUNDING SOURCES - STATE TAX DATA

This memorandum is in response to the Insurance and Health Care Committee's request for current state tax information to assist the committee in evaluating possible funding sources for emergency medical services programs. The following information was received from the State Tax Commissioner in December 1997.

- Approximately 10,200 corporation income tax returns are filed each year. However, less than half have a tax liability. In a typical tax year, approximately 4,800 of the 10,200 corporate returns have positive income and consequently a tax liability. The remainder report no income or a loss.
- Approximately 300,000 individual income tax returns are filed each year.
- An increase in the cigarette tax of one mill would generate approximately \$1 million per year. The current cigarette tax rate is 22 mills, which is equal to approximately 44 cents per pack.
- The tobacco tax rate is 28 percent. A one percent increase, to 29 percent, would generate approximately an additional \$8,500 per year.
- Motor vehicle excise taxes totaled \$51.3 million in fiscal year 1997. The current vehicle excise tax rate is five percent. A one percent increase, would generate approximately an additional \$10.2 million per year.
- The current retail sales tax rate on liquor is seven percent. A one percent increase would generate approximately an additional \$1,933,333 per year.
- The wholesale liquor tax is a per-unit tax rather than a tax based on the purchase price or value of a product. There are

seven categories of liquor products. Currently, the wholesale liquor tax rates are:

Category	Tax Rate	Gallons	Tax Fiscal Year 1997
Beer in bulk containers - Per wine gallon	\$.08 (.021 per liter)	Not available	\$141,461
Beer in bottles and cans - Per wine gallon	\$.16 (.042 per liter)	Not available	\$2,290,939
Wine containing less than 17% alcohol by volume - Per wine gallon	\$.50 (.132 per liter)	434,802.4	\$217,401
Wine containing 17%-24% alcohol by volume - Per wine gallon	\$.60 (.159 per liter)	28,847.83	\$17,309
Sparkling wine - Per wine gallon	\$1 (.264 per liter)	40,747.71	\$40,748
Distilled spirits - Per wine gallon	\$2.50 (.66 per liter)	976,474.06	\$2,441,185
Alcohol - Per wine gallon	\$4.05 (1.07 per liter)	2,970.57	\$12,031

- State sales tax collections totaled \$311.4 million in fiscal year 1997. The current tax rate is essentially five percent, an increase of one percent would generate approximately \$62 million per year.