

# AN ACT

To amend sections 1333.84, 4301.24, 4301.47, 4303.02, 4303.021, 4303.06, 4303.20, 4303.29, 4303.33, and 4303.332 and to enact section 4303.022 of the Revised Code to prohibit a distributor or manufacturer of alcoholic beverages from taking certain actions regarding the awarding or acquiring of franchises or distribution territories, to create the A-1c liquor permit for beer manufacturers that produce beer below specified quantities, to limit the A-1 liquor permit to beer manufacturers that produce beer above specified quantities, to alter requirements related to the A-1 liquor permit, and to make certain changes regarding liquor permit quotas.

*Be it enacted by the General Assembly of the State of Ohio:*

SECTION 1. That sections 1333.84, 4301.24, 4301.47, 4303.02, 4303.021, 4303.06, 4303.20, 4303.29, 4303.33, and 4303.332 be amended and section 4303.022 of the Revised Code be enacted to read as follows:

Sec. 1333.84. Notwithstanding the terms of any franchise, no manufacturer or distributor engaged in the sale and distribution of alcoholic beverages, or a subsidiary of any such manufacturer, shall:

(A) Fail to act in good faith or without just cause in acting or purporting to act under the terms of a franchise or in cancelling or failing to renew a franchise;

(B) Award an additional franchise for the sale of the same brand within the same sales area or territory. No franchise prohibits a retail permit holder having permits at more than one location from buying from one or more B-2 or B-5 permit holders, even if all permit premises are not located in the same franchise area or territory. Nothing contained in this division shall be construed as modifying the provisions of section 4301.241 of the Revised Code. Nothing contained in this division precludes a manufacturer of wine

from awarding a franchise, or requires a manufacturer of wine to award a franchise, for the sale of a new brand to any B-2 or B-5 permit holder;

(C) Require a distributor to submit profit and loss statements, balance sheets, or financial records as a requirement to retain its franchise;

(D) Without reasonable cause, withhold delivery of alcoholic beverages ordered by a distributor, or change or amend a distributor's quota of a manufacturer's product or brand;

(E) Coerce a distributor by any means to participate in or contribute to any local or national advertising fund controlled directly or indirectly by a manufacturer;

(F) Refuse to recognize the rights of surviving partners, shareholders, or heirs and fail to act in good faith in accordance with reasonable standards for fair dealing, with respect to the distributor's right to sell, assign, transfer or otherwise dispose of ~~his~~ the distributor's business, in all or in part, except that the distributor shall have no right to sell, assign, or transfer the franchise without the prior consent of the manufacturer, who shall not unreasonably withhold ~~his~~ the manufacturer's consent.

(G)(1) On and after the effective date of this amendment, do either of the following:

(a) Award a distribution franchise or territory to itself, to a subsidiary, or to another entity in which it has any financial interest, directly or indirectly, by stock ownership, or through interlocking directors in a corporation, or otherwise, if that franchise, territory, or portion of that territory has been previously awarded, sold, assigned, or transferred to a distributor;

(b) Acquire a franchise or territory if that franchise, territory, or portion of that territory has been previously awarded, sold, assigned, or transferred to a distributor.

(2) Division (G)(1) of this section does not prohibit a manufacturer or subsidiary of a manufacturer from continuing to operate a distribution franchise or distribute alcoholic beverages within a designated territory if prior to the effective date of this amendment the manufacturer either acquired the distribution franchise or territory, or awarded the franchise or territory to itself or a subsidiary.

(3) Division (G)(1) of this section does not, and shall not be construed to, limit the actions that may be taken in accordance with an A-1c permit under section 4303.022 of the Revised Code or a B-2a permit under section 4303.071 of the Revised Code.

(4) Notwithstanding division (G)(1) of this section or any permit requirement under sections 4303.06, 4303.07, 4303.071, 4303.08, 4303.09,

and 4303.10 of the Revised Code, if a distribution franchise is canceled or territory is substantially changed by a manufacturer pursuant to either division (A)(1) or (2) of section 1333.85 of the Revised Code, the manufacturer may acquire or award itself the franchise or territory for not longer than one hundred eighty days from the date of cancellation. After the one hundred eighty day period, the manufacturer shall sell or transfer the franchise or territory to a distributor in which the manufacturer does not have any financial interest, directly or indirectly, by stock ownership, or through interlocking directors in a corporation, or otherwise.

Sec. 4301.24. (A) Except as provided in section 4301.242 of the Revised Code, no manufacturer shall aid or assist the holder of any permit for sale at wholesale, and no manufacturer or wholesale distributor shall aid or assist the holder of any permit for sale at retail, by gift or loan of any money or property of any description or other valuable thing, or by giving premiums or rebates. Except as provided in section 4301.242 of the Revised Code, no holder of any such permit shall accept the same, provided that the manufacturer or wholesale distributor may furnish to a retail permittee the inside signs or advertising and the tap signs or devices authorized by divisions (E) and (F) of section 4301.22 of the Revised Code.

(B) No manufacturer shall have any financial interest, directly or indirectly, by stock ownership, or through interlocking directors in a corporation, or otherwise, in the establishment, maintenance, or promotion in the business of any wholesale distributor. No retail permit holder shall have any interest, directly or indirectly, in the operation of, or any ownership in, the business of any wholesale distributor or manufacturer.

(C)(1) No manufacturer shall, except as authorized by section 4303.021 of the Revised Code, have any financial interest, directly or indirectly, by stock ownership, or through interlocking directors in a corporation, or otherwise, in the establishment, maintenance, or promotion of the business of any retail dealer. No wholesale distributor or employee of a wholesale distributor shall have any financial interest, directly or indirectly, by stock ownership, interlocking directors in a corporation, or otherwise, in the establishment, maintenance, or promotion of the business of any retail dealer. No manufacturer or wholesale distributor or any stockholder of a manufacturer or wholesale distributor shall acquire, by ownership in fee, leasehold, mortgage, or otherwise, directly or indirectly, any interest in the premises on which the business of any other person engaged in the business of trafficking in beer or intoxicating liquor is conducted. ~~At~~

(2) All contracts, covenants, conditions, and limitations whereby any person engaged or proposing to engage in the sale of beer or intoxicating

liquors promises to confine the person's sales of a particular kind or quality of beer or intoxicating liquor to one or more products, or the products of a specified manufacturer or wholesale distributor, or to give preference to those products, shall to the extent of that promise be void. The making of a promise in any such form shall be cause for the revocation or suspension of any permit issued to any party. ~~This section does not prevent the holder of an A permit from securing and holding a wholesale distributor's permit or permits and operating as a wholesale distributor.~~

(D) No manufacturer shall sell or offer to sell to any wholesale distributor or retail permit holder, no wholesale distributor shall sell or offer to sell to any retail permit holder, and no wholesale distributor or retail permit holder shall purchase or receive from any manufacturer or wholesale distributor, any beer, brewed beverages, or wine manufactured in the United States except for cash. No right of action shall exist to collect any claims for credit extended contrary to this section. ~~This~~

This section does not prohibit a licensee from crediting to a purchaser the actual prices charged for packages or containers returned by the original purchaser as a credit on any sale or from refunding to any purchaser the amount paid by that purchaser for containers or as a deposit on containers when title is retained by the vendor, if those containers or packages have been returned to the manufacturer or distributor. This section does not prohibit a manufacturer from extending usual and customary credit for beer, brewed beverages, or wine manufactured in the United States and sold to customers who live or maintain places of business outside this state when the beverages so sold are actually transported and delivered to points outside this state. ~~No~~

No wholesale or retail permit shall be issued to an applicant unless the applicant has paid in full all accounts for beer or wine, manufactured in the United States, outstanding as of September 6, 1939. No beer or wine manufactured in the United States shall be imported into the state unless the beer or wine has been paid for in cash, and no supplier registration for any such beer or wine manufactured in the United States shall be issued by the division of liquor control until the A-2, B-1, or B-5 permit holder establishes to the satisfaction of the division that the beer or wine has been paid for in cash.

(E) This section does not prevent a manufacturer from securing and holding any financial interest, directly or indirectly, by stock ownership or through interlocking directors in a corporation, or otherwise, in the establishment, maintenance, or promotion of the business or premises of any C or D permit holder, provided that the following conditions are met:

~~(A)~~(1) Either the manufacturer or one of its parent companies is listed on a national securities exchange.

~~(B)~~(2) All purchases of alcoholic beverages by the C or D permit holder are made from wholesale distributors in this state or agency stores licensed by the division of liquor control.

~~(C)~~(3) If the C or D permit holder sells brands of alcoholic beverages that are produced or distributed by the manufacturer that holds the financial interest, the C or D permit holder also sells other competing brands of alcoholic beverages produced by other manufacturers, no preference is given to the products of the manufacturer, and there is no exclusion, in whole or in part, of products sold or offered for sale by other manufacturers, suppliers, or importers of alcoholic beverages that constitutes a substantial impairment of commerce.

~~(D)~~(4) The primary purpose of the C or D permit premises is a purpose other than to sell alcoholic beverages, and the sale of other goods and services exceeds fifty per cent of the total gross receipts of the C or D permit holder at its premises.

(F)(1) This section does not prevent a manufacturer from giving financial assistance to the holder of a B permit for the purpose of the holder purchasing an ownership interest in the business, existing inventory and equipment, or property of another B permit holder, including, but not limited to, participation in a limited liability partnership, limited liability company, or any other legal entity authorized to do business in this state. ~~This~~

(2) ~~This~~ section does not permit a manufacturer to give financial assistance to the holder of a B permit to purchase inventory or equipment used in the daily operation of a B permit holder.

(G) This section does not prohibit a manufacturer or subsidiary of a manufacturer from continuing to operate a wholesale distribution franchise or distribute beer or wine within a designated territory if prior to the effective date of this amendment the manufacturer either acquired the distribution franchise or territory, or awarded the franchise or territory to itself or a subsidiary.

(H) This section ~~does~~ shall not prevent a manufacturer from securing and holding ~~a~~ an ~~A-1c or B-2a~~ permit or permits and operating as a wholesale distributor pursuant to such permits.

Sec. 4301.47. Every class A-1, A-1c, A-2, and A-4 permit holder and each class B or S permit holder shall maintain and keep for a period of three years a record of the beer, wine, and mixed beverages purchased, distributed, or sold within this state by the permit holder, together with

invoices, records, receipts, bills of lading, and other pertinent papers required by the tax commissioner and, upon demand by the tax commissioner, shall produce these records for a three-year period prior to the demand unless upon satisfactory proof it is shown that the nonproduction is due to causes beyond the permit holder's control.

Sec. 4303.02. Permit A-1 may be issued to a manufacturer to manufacture beer and sell beer products in bottles or containers for home use and to ~~retail and~~ wholesale permit holders under rules adopted by the division of liquor control if the manufacturer's total production of beer, wherever produced, will exceed thirty-one million gallons in a calendar year. In addition, an A-1 permit holder may sell beer manufactured on the premises at retail, by individual drink in a glass or from a container, for consumption on the premises where sold. The fee for this permit is three thousand nine hundred six dollars for each plant during the year covered by the permit.

Sec. 4303.021. (A) Permit A-1-A may be issued to the holder of an A-1, A-1c, or A-2 permit to sell beer and any intoxicating liquor at retail, only by the individual drink in glass or from a container, provided ~~such~~ that one of the following applies to the A-1-A permit premises are:

(1) It is situated on the same parcel or tract of land as the related A-1, A-1c, or A-2 manufacturing permit premises ~~or are separated therefrom.~~

(2) It is separated from the parcel or tract of land on which is located the A-1, A-1c, or A-2 manufacturing permit premises only by public streets or highways or by other lands owned by the holder of the A-1, A-1c, or A-2 permit and used by the holder in connection with or in promotion of the holder's A-1, A-1c, or A-2 permit business.

(3) It is situated on a parcel or tract of land that is not more than one-half mile from the A-1, A-1c, or A-2 manufacturing permit premises.  
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(B) The fee for this permit is three thousand nine hundred six dollars.  
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(C) The holder of an A-1-A permit may sell beer and any intoxicating liquor during the same hours as the holders of D-5 permits under this chapter or Chapter 4301. of the Revised Code or the rules of the liquor control commission and shall obtain a license as a retail food establishment or a food service operation pursuant to Chapter 3717. of the Revised Code and operate as a restaurant for purposes of this chapter.

(D) Except as otherwise provided in this section, no new A-1-A permit shall be issued to the holder of an A-1, A-1c, or A-2 permit unless the sale of beer and intoxicating liquor under class D permits is permitted in the

precinct in which the A-1, A-1c, or A-2 permit is located and, in the case of an A-2 permit, unless the holder of the A-2 permit manufactures or has a storage capacity of at least twenty-five thousand gallons of wine per year. The immediately preceding sentence does not prohibit the issuance of an A-1-A permit to an applicant for such a permit who is the holder of an A-1 permit and whose application was filed with the division of liquor control before June 1, 1994. The liquor control commission shall not restrict the number of A-1-A permits which may be located within a precinct.

Sec. 4303.022. Permit A-1c may be issued to a manufacturer to manufacture beer and sell beer products in bottles or containers for home use and to retail and wholesale permit holders under rules adopted by the division of liquor control if the manufacturer's total production of beer, wherever produced, will not exceed thirty-one million gallons in a calendar year. In addition, an A-1c permit holder may sell beer manufactured on premises at retail, by individual drink in a glass or from a container, for consumption on the premises where sold. The fee for this permit is one thousand dollars for each plant during the year covered by the permit.

Sec. 4303.06. Permit B-1 may be issued to a wholesale distributor of beer to purchase from the holders of A-1 or A-1c permits and to import and distribute or sell beer for home use and to retail permit holders under rules adopted by the division of liquor control. The fee for this permit is three thousand one hundred twenty-five dollars for each distributing plant or warehouse during the year covered by the permit.

Sec. 4303.20. Permit F may be issued to an association of ten or more persons, a labor union, or a charitable organization, or to an employer of ten or more persons sponsoring a function for the employer's employees, to purchase from the holders of A-1, A-1c, and B-1 permits and to sell beer for a period lasting not to exceed five days. No more than two such permits may be issued to the same applicant in any thirty-day period.

The special function for which the permit is issued shall include a social, recreational, benevolent, charitable, fraternal, political, patriotic, or athletic purpose but shall not include any function the proceeds of which are for the profit or gain of any individual. The fee for this permit is forty dollars.

Sec. 4303.29. (A) No permit, other than an H permit, shall be issued to a firm or partnership unless all the members of the firm or partnership are citizens of the United States. No permit, other than an H permit, shall be issued to an individual who is not a citizen of the United States. No permit, other than an E or H permit, shall be issued to any corporation organized under the laws of any country, territory, or state other than this state until it

has furnished the division of liquor control with evidence that it has complied with the laws of this state relating to the transaction of business in this state.

The division may refuse to issue any permit to or refuse to renew any permit of any person convicted of any felony that is reasonably related to the person's fitness to operate a liquor permit business in this state. No holder of a permit shall sell, assign, transfer, or pledge the permit without the written consent of the division.

(B)(1) No D-3 permit shall be issued to any club unless the club has been continuously engaged in the activity specified in section 4303.15 of the Revised Code, as a qualification for that class of permit, for two years at the time the permit is issued.

(2)(a) Subject to division (B)(2)(b) of this section, upon application by properly qualified persons, one C-1 and C-2 permit shall be issued for each one thousand population or part of that population, and one D-1 and D-2 permit shall be issued for each two thousand population or part of that population, in each municipal corporation and in the unincorporated area of each township.

Subject to division (B)(2)(b) of this section, not more than one D-3, D-4, or D-5 permit shall be issued for each two thousand population or part of that population in any municipal corporation and in the unincorporated area of any township, except that, in any city of a population of fifty-five thousand or more, one D-3 permit may be issued for each fifteen hundred population or part of that population.

(b)(i) Division (B)(2)(a) of this section does not prohibit the transfer of location or the transfer of ownership and location of a C-1, C-2, D-1, D-2, D-3, or D-5 permit from a municipal corporation or the unincorporated area of a township to an economic development project located in another municipal corporation or the unincorporated area of another township in which no additional permits of that class may be issued to the applicant under division (B)(2)(a) of this section. However, the transfer may occur only if the applicant notifies the municipal corporation or township to which the location of the permit will be transferred regarding the transfer and the municipal corporation or township acknowledges in writing to the division of liquor control that the transfer will be to an economic development project. The municipal corporation or township shall submit the acknowledgment at the time the application for the transfer is filed with the division.

The acknowledgment by the municipal corporation or township does not prohibit it from requesting a hearing under section 4303.26 of the Revised

Code. The applicant is eligible to apply for and receive the transfer of location of the permit under division (B)(2)(b) of this section if permits of that class that may be issued under division (B)(2)(a) of this section in the applicable municipal corporation or unincorporated area of the township have already been issued or if the number of applications filed for permits of that class in that municipal corporation or the unincorporated area of that township exceed the number of permits of that class that may be issued there under division (B)(2)(a) of this section.

A permit transferred under division (B)(2)(b) of this section may be subsequently transferred to a different owner at the same location, or to the same owner or a different owner at a different location in the same municipal corporation or in the unincorporated area of the same township; ~~as long as the same or new location meets the economic development project criteria set forth in this section.~~

(ii) Factors that ~~shall~~ may be used to determine the designation of an economic development project include, but are not limited to, architectural certification of the plans and the cost of the project, the number of jobs that will be created by the project, projected earnings of the project, projected tax revenues for the political subdivisions in which the project will be located, and the amount of financial investment in the project. The superintendent of liquor control shall determine whether the existing or proposed business that is seeking a permit described in division (B)(2)(b) of this section qualifies as an economic development project and, if the superintendent determines that it so qualifies, shall designate the business as an economic development project.

(3) Nothing in this section shall be construed to restrict the issuance of a permit to a municipal corporation for use at a municipally owned airport at which commercial airline companies operate regularly scheduled flights on which space is available to the public. A municipal corporation applying for a permit for such a municipally owned airport is exempt, in regard to that application, from ~~the~~ all of the following:

(a) The population quota restrictions contained in this section ~~and from~~;

(b) The population quota restrictions contained in any rule of the liquor control commission. ~~A municipal corporation applying for a D-1, D-2, D-3, D-4, or D-5 permit for such a municipally owned airport is subject to section~~;

(c) Section 4303.31 of the Revised Code.

(4) Nothing in this section shall be construed to prohibit the issuance of a D permit to the board of trustees of a soldiers' memorial for a premises located at a soldiers' memorial established pursuant to Chapter 345. of the

Revised Code. An application for a D permit by the board for those premises is exempt from the population restrictions contained in this section and from the population quota restrictions contained in any rule of the liquor control commission. The location of a D permit issued to the board for those premises shall not be transferred. A board of trustees of a soldiers' memorial applying for a D-1, D-2, D-3, D-4, or D-5 permit for the soldiers' memorial is subject to section 4303.31 of the Revised Code.

(5) Nothing in this section shall be construed to restrict the issuance of a permit for a premises located at a golf course owned by a municipal corporation, township, or county, owned by a park district created under Chapter 1545. of the Revised Code, or owned by the state. The location of such a permit issued on or after September 26, 1984, for a premises located at such a golf course shall not be transferred. Any application for such a permit is exempt from ~~the~~ all of the following:

(a) The population quota restrictions contained in this section and from the:

(b) The population quota restrictions contained in any rule of the liquor control commission. A municipal corporation, township, county, park district, or state agency applying for a D-1, D-2, D-3, D-4, or D-5 permit for such a golf course is subject to section:

(c) Section 4303.31 of the Revised Code.

(6) As used in division (B)(6) of this section, "fair" has the same meaning as in section 991.01 of the Revised Code; "state fairgrounds" means the property that is held by the state for the purpose of conducting fairs, expositions, and exhibits and that is maintained and managed by the Ohio expositions commission under section 991.03 of the Revised Code; "capitol square" has the same meaning as in section 105.41 of the Revised Code; and "Ohio judicial center" means the site of the Ohio supreme court and its grounds.

Nothing in this section shall be construed to restrict the issuance of one or more D permits to one or more applicants for all or a part of the state fairgrounds, capitol square, or the Ohio judicial center. An application for a D permit for the state fairgrounds, capitol square, or the Ohio judicial center is exempt from the population quota restrictions contained in this section and from the population quota restrictions contained in any rule of the liquor control commission. The location of a D permit issued for the state fairgrounds, capitol square, or the Ohio judicial center shall not be transferred. An applicant for a D-1, D-2, D-3, or D-5 permit for the state fairgrounds is not subject to section 4303.31 of the Revised Code.

Pursuant to section 1711.09 of the Revised Code, the holder of a D

permit issued for the state fairgrounds shall not deal in spirituous liquor at the state fairgrounds during, or for one week before or for three days after, any fair held at the state fairgrounds.

(7) Nothing in this section shall be construed to prohibit the issuance of a D permit for a premises located at a zoological park at which sales have been approved in an election held under former section 4301.356 of the Revised Code. An application for a D permit for such a premises is exempt from the population restrictions contained in this section, from the population quota restrictions contained in any rule of the liquor control commission, and from section 4303.31 of the Revised Code. The location of a D permit issued for a premises at such a zoological park shall not be transferred, and no quota or other restrictions shall be placed on the number of D permits that may be issued for a premises at such a zoological park.

(C)(1) No D-3, D-4, D-5, or D-5a permit shall be issued in any election precinct in any municipal corporation or in any election precinct in the unincorporated area of any township, in which at the November, 1933, election a majority of the electors voting thereon in the municipal corporation or in the unincorporated area of the township voted against the repeal of Section 9 of Article XV, Ohio Constitution, unless the sale of spirituous liquor by the glass is authorized by a majority vote of the electors voting on the question in the precinct at an election held pursuant to this section or by a majority vote of the electors of the precinct voting on question (C) at a special local option election held in the precinct pursuant to section 4301.35 of the Revised Code. Upon the request of an elector, the board of elections of the county that encompasses the precinct shall furnish the elector with a copy of the instructions prepared by the secretary of state under division (P) of section 3501.05 of the Revised Code and, within fifteen days after the request, a certificate of the number of signatures required for a valid petition under this section.

Upon the petition of thirty-five per cent of the total number of voters voting in any such precinct for the office of governor at the preceding general election, filed with the board of elections of the county in which such precinct is located not later than ninety days before a general election, the board shall prepare ballots and hold an election at such general election upon the question of allowing spirituous liquor to be sold by the glass in such precinct. The ballots shall be approved in form by the secretary of state. The results of the election shall be certified by the board to the secretary of state, who shall certify the results to the division.

(2) No holder of a class D-3 permit issued for a boat or vessel shall sell spirituous liquor in any precinct, in which the election provided for in this

section may be held, unless the sale of spirituous liquor by the drink has been authorized by vote of the electors as provided in this section or in section 4301.35 of the Revised Code.

(D) Any holder of a C or D permit whose permit premises were purchased in 1986 or 1987 by the state or any state agency for highway purposes shall be issued the same permit at another location notwithstanding any quota restrictions contained in this chapter or in any rule of the liquor control commission.

Sec. 4303.33. (A) Every A-1 or A-1c permit holder in this state, every bottler, importer, wholesale dealer, broker, producer, or manufacturer of beer outside this state and within the United States, and every B-1 permit holder and importer importing beer from any manufacturer, bottler, person, or group of persons however organized outside the United States for sale or distribution for sale in this state, on or before the eighteenth day of each month, shall make and file with the tax commissioner upon a form prescribed by the tax commissioner an advance tax payment in an amount estimated to equal the taxpayer's tax liability for the month in which the advance tax payment is made. If the advance tax payment credits claimed on the report are for advance tax payments received by the tax commissioner on or before the eighteenth day of the month covered by the report, the taxpayer is entitled to an additional credit of three per cent of the advance tax payment and a discount of three per cent shall be allowed the taxpayer at the time of filing the report if filed as provided in division (B) of this section on any amount by which the tax liability reflected in the report exceeds the advance tax payment estimate by not more than ten per cent. The additional three per cent credit and three per cent discount shall be in consideration for advancing the payment of the tax and other services performed by the permit holder and other taxpayers in the collection of the tax.

"Advance tax payment credit" means credit for payments made by an A-1, A-1c, or B-1 permit holder and any other persons during the period covered by a report which was made in anticipation of the tax liability required to be reported on that report.

"Tax liability" as used in division (A) of this section means the total gross tax liability of an A-1, A-1c, or B-1 permit holder and any other persons for the period covered by a report before any allowance for credits and discount.

(B) Every A-1 or A-1c permit holder in this state, every bottler, importer, wholesale dealer, broker, producer, or manufacturer of beer outside this state and within the United States, every B-1 permit holder importing beer from any manufacturer, bottler, person, or group of persons

however organized outside the United States, and every S permit holder, on or before the tenth day of each month, shall make and file a report for the preceding month upon a form prescribed by the tax commissioner which report shall show the amount of beer produced, sold, and distributed for sale in this state by the A-1 or A-1c permit holder, sold and distributed for sale in this state by each manufacturer, bottler, importer, wholesale dealer, or broker outside this state and within the United States, the amount of beer imported into this state from outside the United States and sold and distributed for sale in this state by the B-1 permit holder or importer, and the amount of beer sold in this state by the S permit holder.

The report shall be filed by mailing it to the tax commissioner, together with payment of the tax levied by sections 4301.42 and 4305.01 of the Revised Code shown to be due on the report after deduction of advance payment credits and any additional credits or discounts provided for under this section.

(C)(1) Every A-2, A-4, B-2, B-2a, B-3, B-4, B-5, and S permit holder in this state, on or before the eighteenth day of each month, shall make and file a report with the tax commissioner upon a form prescribed by the tax commissioner which report shall show, on the report of each A-2, A-4, B-2a, and S permit holder the amount of wine, cider, and mixed beverages produced and sold, or sold in this state by each such A-2, A-4, B-2a, and S permit holder for the next preceding calendar month and such other information as the tax commissioner requires, and on the report of each such B-2, B-3, B-4, and B-5 permit holder the amount of wine, cider, and mixed beverages purchased from an importer, broker, wholesale dealer, producer, or manufacturer located outside this state and sold and distributed in this state by such B-2, B-3, B-4, and B-5 permit holder, for the next preceding calendar month and such other information as the tax commissioner requires.

(2) Every such A-2, A-4, B-2, B-2a, B-3, B-4, B-5, and S permit holder in this state shall remit with the report the tax levied by sections 4301.43 and, if applicable, 4301.432 of the Revised Code less a discount thereon of three per cent of the total tax so levied and paid, provided the return is filed together with remittance of the amount of tax shown to be due thereon, within the time prescribed. Any permit holder or other persons who fail to file a report under this section, for each day the person so fails, may be required to forfeit and pay into the state treasury the sum of one dollar as revenue arising from the tax imposed by sections 4301.42, 4301.43, 4301.432, and 4305.01 of the Revised Code, and that sum may be collected by assessment in the manner provided in section 4305.13 of the Revised

Code.

(3) If the tax commissioner determines that the quantity reported by a person does not warrant monthly reporting, the commissioner may authorize the filing of returns and the payment of the tax required by this section for periods longer than one month.

(D) Every B-1 permit holder and importer in this state importing beer from any manufacturer, bottler, person, or group of persons however organized, outside the United States, if required by the tax commissioner shall post a bond payable to the state in such form and amount as the commissioner prescribes with surety to the satisfaction of the tax commissioner, conditioned upon the payment to the tax commissioner of taxes levied by sections 4301.42 and 4305.01 of the Revised Code.

(E) No such wine, beer, cider, or mixed beverages sold or distributed in this state shall be taxed more than once under sections 4301.42, 4301.43, and 4305.01 of the Revised Code.

(F) As used in this section:

(1) "Cider" has the same meaning as in section 4301.01 of the Revised Code.

(2) "Wine" has the same meaning as in section 4301.01 of the Revised Code, except that "wine" does not include cider.

(G) All money collected by the tax commissioner under this section shall be paid to the treasurer of state as revenue arising from the taxes levied by sections 4301.42, 4301.43, 4301.432, and 4305.01 of the Revised Code.

Sec. 4303.332. An ~~A-1~~ A-1c permit holder in this state ~~whose total production of beer, wherever produced, does not exceed thirty one million gallons in a calendar year, as reported under section 4303.33 of the Revised Code,~~ shall receive a credit against taxes levied in the following calendar year under sections 4301.42 and 4305.01 of the Revised Code on not more than nine million three hundred thousand gallons of beer sold or distributed in this state. The credit may be claimed monthly against taxes levied under one or more of those sections as the reports required by section 4303.33 of the Revised Code are due. At the time the report for December is due for a calendar year during which a permit holder is eligible to receive a credit under this section, if the permit holder has claimed less than the credit due on nine million three hundred thousand gallons, including credit claimed on the December report, the permit holder may claim a refund of taxes previously reported and paid under section 4303.33 of the Revised Code during the calendar year on a number of gallons equal to the difference between nine million three hundred thousand gallons and the number of gallons for which a credit has been claimed under this section. For the

purpose of providing this refund, taxes previously paid under section 4303.33 of the Revised Code during the calendar year shall not be considered final until the December report is filed. The tax commissioner shall prescribe forms for and allow the credits and refunds authorized by this section.

SECTION 2. That existing sections 1333.84, 4301.24, 4301.47, 4303.02, 4303.021, 4303.06, 4303.20, 4303.29, 4303.33, and 4303.332 of the Revised Code are hereby repealed.

SECTION 3. On the effective date of this act, a person who holds an A-1 liquor permit that has been issued under section 4303.02 of the Revised Code and who is eligible to obtain an A-1c liquor permit issued under section 4303.022 of the Revised Code, as enacted by this act, shall continue to operate under the terms of the A-1 permit until that permit is required to be renewed. At the time of renewal, the permit holder shall obtain an A-1c liquor permit under section 4303.022 of the Revised Code, as enacted by this act. On and after the effective date of this act, a person who holds an A-1 liquor permit shall not sell beer products in bottles or containers to retail permit holders. However, if the A-1 liquor permit holder would qualify for an A-1c liquor permit under section 4303.022 of the Revised Code, as enacted by this act, the A-1 liquor permit holder may sell to such retail permit holders.

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*Speaker* \_\_\_\_\_ *of the House of Representatives.*

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*President* \_\_\_\_\_ *of the Senate.*

Passed \_\_\_\_\_, 20\_\_\_\_

Approved \_\_\_\_\_, 20\_\_\_\_

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*Governor.*

Sub. S. B. No. 48

130th G.A.

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

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*Director, Legislative Service Commission.*

Filed in the office of the Secretary of State at Columbus, Ohio, on the \_\_\_ day of \_\_\_\_\_, A. D. 20\_\_\_\_.

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*Secretary of State.*

File No. \_\_\_\_\_ Effective Date \_\_\_\_\_