

HB 700 -- GRAPE AND WINE PRODUCER TAX CREDIT

SPONSOR: Korman

Currently, only grape growers and wine producers may qualify for a tax credit on the purchase of new equipment and materials used directly in the growing of grapes or the production of wine in the state. Beginning January 1, 2016, this bill also allows distilleries, microbreweries, and licensed breweries to apply for the tax credit. Any of the businesses may claim the tax credit for the purchase of new or used equipment and materials used directly in the production of the alcohol products. A grape grower, wine producer, distiller, or brewer may apply and receive the tax credit for no more than five consecutive tax periods with a total of 10 tax periods. A taxpayer may claim the tax credit for up to \$100,000 per taxable year.

The total amount of tax credits claimed cannot exceed \$4 million. Of the \$4 million, no more than \$1 million can go to each of the groups of taxpayers classified as growers, producers, distillers, or brewers. After the conclusion of the third quarter of a taxable year, the remaining balance of tax credits must be issued to any qualified applicant, regardless of classification, on a first-come, first-served filing basis. A certificate of tax credit issued to a taxpayer may be assigned, transferred, sold or otherwise conveyed by notarized endorsement that names the transferee.