

HB

76

C-2. BERTHOLD
F Y I

State of California

BOARD OF EQUALIZATION

DEPARTMENT OF BUSINESS TAXES

ALCOHOLIC BEVERAGE TAX REGULATIONS

Regulation 2557. POWDERED DISTILLED SPIRITS.

Reference: Sections 32001 - 32556, Revenue and Taxation Code.

(a) **IN GENERAL.** The Alcoholic Beverage Tax Law and Alcoholic Beverage Tax Regulations apply with respect to powdered distilled spirits in the same manner and to the same extent as with respect to other distilled spirits. Tax will be paid at the same rate per wine gallon, and at a proportionate rate for any quantity, as for distilled spirits of the same proof strength in liquid form.

(b) **RECORDS AND REPORTS.** Transactions involving powdered distilled spirits, including any powdered alcoholic beverage containing powdered distilled spirits, must be stated by volume in wine gallons to the nearest one-hundredth of a gallon in all required records and reports. The importer, in the case of powdered distilled spirits imported into California packaged in containers for sale to the general public, and the rectifier in the case of powdered distilled spirits packaged within California shall:

(1) Label the outside of each case with the volume in wine gallons of the powdered product contained in the case and of the powdered product contained in each individual package within the case.

(2) Print on each invoice, credit memorandum, or similar document the total volume in wine gallons of the powdered product or products listed on that document.

(3) Print on each invoice, credit memorandum, or similar document the volume in wine gallons of the powdered product contained in each size case and in each individual package listed on that document.

(c) **CONVERSION OF WEIGHT TO VOLUME.** The weight of powdered distilled spirits, and powdered distilled spirits products, shall be converted to volume as follows:

- (1) One pound equals .16 wine gallons;
- (2) One ounce equals .01 wine gallons;
- (3) One gram equals .000353 wine gallons.

History: Adopted May 4, 1978, effective June 21, 1978.



DISTILLED SPIRITS COUNCIL OF THE UNITED STATES, INC.

1300 PENNSYLVANIA BUILDING
WASHINGTON, D. C. 20004
202-628-3544

November 17, 1978

Mr. Sharman Haley
Research Analyst
Legislative Affairs Agency
Pouch Y - State Capitol
Juneau, Alaska 99811

Dear Mr. Haley:

We have received your letter of 10-30-78 requesting information on powdered alcohol.

Based on information we have received from the Bureau of Alcohol, Tobacco and Firearms, the powdered alcohol product has been approved and is presently being imported into the U.S. from Japan by Global Marketing, Inc. of Portland, Oregon. A taxing formula has been approved by BATF.

The base powder has the consistency of very fine sugar. It is comprised of droplets of grain neutral spirits encapsulated in "glister", a form of corn syrup. The bulk powder after having been imported in drums by Global will be sent to a rectifier in Orange County, California. Power Packaging, Inc., the rectifier, will add flavoring, blend, package and label the containers under the name "Sureshot". The types of products will be Vodka Sour, Vodka Sling, Screwdriver, Apricot Sour, Cappucino and possibly others.

It is our understanding that each can contains 2 5/8 ounces of alcohol powder at 22% alcohol by weight. When mixed with 5 ounces (one full can) of water a drink containing 6.8 fluid ounces at 22 proof will result. It is understood that the product will retail for \$1.39 per can.

The product is currently being test marketed in Oregon, California and possibly some other states. California had to change its taxing guide lines to allow the sale of the product in that state. There is attached for your information a copy of the amended California regulation.

Sincerely,

George F. Bonifant
Director - International Trade

GFB:sas

Attachment

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

November 22, 1978

MEMORANDUM

SUBJECT: Powdered Alcohol (W.O. #5743-R)

TO: The Honorable Charlie Parr

FROM: Sharman Haley 
Research Analyst

You requested information on powdered alcohol and the likelihood for marketing in Alaska. Attached you will find a letter from the Distilled Spirits Council of the United States describing the product.

Exclusive distribution rights for marketing powdered alcohol in Alaska have been awarded to K&L Distributors. I contacted the Anchorage office of K&L and was told that they are not pursuing the marketing of the product at this time, because they are not satisfied with the quality-- in particular the taste of the cocktails. If and when the manufacturers improve the taste to the satisfaction of K&L, K&L plans to market powdered alcohol cocktails state-wide.

If you have any further questions please let us know.

SH:dh
Attachment

CHARLIE PARR
ALASKA LEGISLATURE

S. R. Box 50599
Fairbanks, Alaska 99701
456-5029

Pouch V
Juneau, Alaska 99811
465-3797

Dec 28, 1978

Mr Joseph R. Anthony, Esq.
Legislative Affairs Agency

Dear Joe:

Thanks for memo of Nov 29 on powdered alcohol
(H.C. 5743).

I'm old enough to remember "wine bricks"
which some sharpie marketed for a while during
Prohibition days, until Feds got a court ruling.
Surprised your research didn't turn that up!

Please (or ask Bill Bender to assign someone to)
draft a bill to ensure that we can tax the
powdered product if it is marketed in Alaska.
I'm enclosing material from Sherman Haby
(California action).

Many thanks -

Charlie Parr