

# OFFICE OF FISCAL ANALYSIS

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sSB-905

## AN ACT CONCERNING ALCOHOLIC LIQUOR AND TOBACCO BARS.

As Amended by Senate "A" (LCO 9654)

House Calendar No.: 636

Senate Calendar No.: 132

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### **OFA Fiscal Note**

#### **State Impact:**

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Resources of the General Fund	GF - Potential Revenue Gain	See Below	See Below

Note: GF=General Fund

**Municipal Impact:** None

#### **Explanation**

The bill results in a potential revenue gain to the state by allowing additional "tobacco bars," so long as the retailer holds an alcoholic liquor permit and meets the criteria outlined in the bill. The actual revenue gain in a given fiscal year will be dependent upon the number of tobacco bars permitted, number of liquor licenses applied for, and the total volume of annual sales allowed under this bill from those establishments.

For illustrative purposes, if ten tobacco bars are permitted to sell alcoholic beverages under the bill and on average those sales are 20% of the businesses' gross revenue, the revenue gain to the state would be \$140,000 in sales and alcoholic beverage taxes. Currently, there is one cigar lounge licensed by the state to sell alcoholic beverages.

Senate "A" strikes the underlying bill and its associated fiscal impact resulting in the impact described above.

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***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of additional permits and licenses granted and inflation.