Tax Expenditure Review Commission Member Evaluation Summary
7.2.03 Small Winery Credit

Name of Expenditure:	Small Winery Credit
Estimate of Annual Revenue Lost:	$100,000*
Year of Adoption:	2017
Sunset Date:	None

Tax Type:

- ☐ Individual Income Tax
- ☐ Corporate Franchise Tax
- ☐ Estate Tax
- ☐ General Sales and Use Tax
- ☐ Motor Vehicle Sales Tax
- ☐ Highway Fuels Excise Tax
- ☒ Alcoholic Beverage Tax
- ☐ Cigarette and Tobacco Tax
- ☐ Mortgage Registry Tax
- ☐ Deed Transfer Tax
- ☐ Lawful Gambling Tax
- ☐ Insurance Premiums Tax
- ☐ Property Tax
- ☐ Motor Vehicle Registration Tax
- ☐ Aircraft Registry Tax
- ☐ Cannabis Gross Receipts Tax

This expenditure is the result of state conformity to the Federal Code:

- ☐ Yes
- ☒ No

Commission Approved Objective:

The objective of the Small Winery Credit tax expenditure is to promote the development and survivorship of small wineries.

Business (check all that apply):

- ☒ Job Creation & Maintenance
- ☒ Investment
- ☒ Competitiveness/Strategic
- ☐ Health/Environmental/Social Justice
- ☐ Other

Individual (check all that apply):

- ☐ Relief of Poverty
- ☐ Progressivity/Assistance to Low Earners
- ☐ Access to Opportunity
- ☐ Health/Environment/Social Justice
- ☐ Other

*The estimate is from the 2024 Tax Expenditure Budget published by the Department of Revenue for Fiscal Year 2027.

Measurement and Effectiveness Ratings Summary:

Statement	Strongly Disagree	Somewhat Disagree	Somewhat Agree	Strongly Agree	Total
We can measure the overall benefit towards achieving the objective(s).	0	2	2	1	5
The expenditure's benefit justifies its fiscal cost.	1	1	2	1	5
The expenditure is claimed by its intended beneficiaries.	0	1	2	2	5
The expenditure is claimed by a broad group of taxpayers.	3	1	0	1	5
The expenditure amount claimed per taxpayer is meaningful as an incentive/benefit.	0	1	3	1	5
The expenditure is relevant today.	0	1	2	2	5
Business Only: The expenditure is primarily beneficial to smaller businesses.	0	1	0	3	4
Individuals Only: The expenditure is primarily beneficial to lower income taxpayers.	0	0	0	0	0

This tax expenditure is flagged for legislative review:

Continue	Repeal	Modify	Total
1	1	3	5

Comments:

"The objective of these is to create jobs and incentivize the growth of an industry. It appears that the expenditure isn't clearly doing that. According to the surveys in the evaluation, many business owners are unaware of the credit or new businesses could find it hard to enter the industry to use the credit.

There could also be a policy created to encourage more business in this industry through a direct expenditure.

This seems like an expenditure that needs a revamp to ensure Minnesota is competitive in this industry."

"I suggest that we modify the credit to give the credit to only Minnesota producers.

"QUESTION: What is the administrative cost for this credit?"

"Not needed."

"Go to quarterly filings instead of monthly filings."