

From: [Sunset Advisory Commission](#)
To: [Brittany Calame](#)
Subject: FW: Public Input Form for Agencies Under Review (Public/After Publication)
Date: Tuesday, December 11, 2018 4:56:21 PM

-----Original Message-----

From: sunset@sunset.texas.gov <sunset@sunset.texas.gov> On Behalf Of Texas Sunset Commission
Sent: Tuesday, December 11, 2018 4:52 PM
To: Sunset Advisory Commission <Sunset@sunset.texas.gov>
Subject: Public Input Form for Agencies Under Review (Public/After Publication)

Agency: TEXAS ALCOHOLIC BEVERAGE COMMISSION TABC

First Name: David

Last Name: Ackerman

Title:

Organization you are affiliated with:

Email:

City: Corinth

State: Texas

Your Comments About the Staff Report, Including Recommendations Supported or Opposed:

On a recent cruise out of Galveston I notice that there were officials with the Port of Entry Division of the Texas Alcoholic Beverage Commission stationed outside US Customs collecting state taxes on alcohol and cigarettes purchased during the cruise. We did not purchase any of these but I thought this was strange considering I had never seen this in Florida after cruising out of a port there. There was a lot of disgusted looks from people who had just paid their duty with US Customs and then were subjected to another shakedown by the State of Texas. This got me thinking whether other states did this and if there was as much disdain for it as I saw in Galveston.

After doing some research, I found some states do have provisions that tax alcohol and tobacco brought back from foreign countries for personal use.

Some have allowances and some (like Texas) tax all amounts brought in.

However, I could not find any of these states that had officials at the cruise ports or other ports of entry collecting the tax. I assume they rely on voluntary compliance to collect the tax. I cannot imagine that they collect very much revenue if that is the case.

As for Texas, they do collect excise tax at cruise ports and other ports of entry. From the Texas Alcoholic Beverage Commission (TABC) own website they collected \$7.1 million in fiscal year 2017 at all ports of entry. No very much considering the total Texas annual budget in in excess of \$100 billion.

However, one can say every little bit helps, right. In looking at the expenses for running the TABC's Ports of Entry division we get a clearer picture of the over-all benefit. According to the TABC's Operational Budget for FY 2018, the total expense in FY 2017 of that division was \$5.3 million.

They netted \$1.8 in revenue.

Yes the division collected more revenue than it expended collecting it. Is the revenue produced enough to offset the general ill will that is created when happy cruise passengers are stopped outside the cruise port to collect a few dollars of tax by state employees. I say no.

Any Alternative or New Recommendations on This Agency: We should cut the Port of Entry Division of the TABC out of the budget and change the excise tax regulations to allow alcohol and tobacco brought back from foreign countries for personal use to be exempt from state taxes.

My Comment Will Be Made Public: I agree