

THE FLORIDA SENATE
2026 SUMMARY OF LEGISLATION PASSED
Committee on Regulated Industries

CS/HB 1137 — Deductions for Certain Losses of Alcoholic Beverages

by Ways & Means Committee and Reps. Robinson, W., Overdorf, and others (CS/SB 678 by Regulated Industries Committee and Senators Mayfield and Gaetz)

The bill allows alcoholic beverage distributors to deduct certain losses of unsalable products from their excise tax liability. Under the bill, distributors may deduct losses caused by warehouse breakage, spoilation, evaporation, expiration, or products becoming unfit for consumption, as follows:

- Vinous beverages (wine): 0.49 percent of gross tax.
- Spirituous beverages (liquor): 0.15 percent of gross tax.
- Malt beverages (beer): 0.20 percent of gross tax or the amount of actual breakage or spoilation.

For malt beverages, distributors must annually elect whether to use the percentage method or actual breakage or spoilation amount to determine the tax deduction amount. The election is binding for the calendar year unless the license is transferred or 100 percent of inventory is sold to a new owner. Distributors handling multiple alcohol types must calculate deductions separately under each category's rules.

The bill allows distributors to also deduct the actual gallonage of "extraordinary losses," defined as unusual losses from acts of God or nature not expected to recur, accidents during shipment between manufacturers, distributors, or retailers, or manufacturer recalls that require destruction.

Extraordinary losses do not include normal on-premises evaporation, breakage, or spoilation beyond the standard deduction limits. When an extraordinary loss occurs, distributors must immediately notify the Division of Alcoholic Beverages and Tobacco (division) within the Department of Business and Professional Regulation and provide proof, such as an accident report or incident report for transit losses. They must also submit a statement confirming destruction, dumping, or recycling of the product, and other information specified in the bill such as the gallonage and tax category of alcohol destroyed. Additionally, distributors must certify that the excise tax was not recovered elsewhere and provide insurance claim documentation upon request by the division.

The bill requires distributors to use division-prescribed forms to record such breakage, spoilation, or evaporation. The division must retain these records for three years.

The bill authorizes the division to adopt rules to implement the bill.

The provisions of the bill apply retroactively to January 1, 2025.

If approved by the Governor, or allowed to become law without the Governor's signature, these provisions take effect upon becoming law.

Vote: Senate 37-0; House 116-0