

# MAINE STATE LEGISLATURE

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September 18, 1968

(1) The amount of liquor on hand both in the warehouse and in the stores, and

(2) The actual cost of that liquor to the State.

OPINION:

The purpose of Ch. 413, P.L. 1967 was to seek to increase the funds available for the purchase of liquor without increasing the working capital. To carry out the purpose the Legislature did not attempt to define inventory but merely change the basis of value from "less carload quotation" to "actual cost".

"Inventory" has been variously defined by courts and agencies as:

Written records of merchandise and its value---CIR v. Dwyer  
C.A. 203 Fed. 522

---"inventory" contemplates goods held for sale at a profit.  
Com. v. U.S. Tobacco Co., Pa. 71 Dauph. 154,158.

The word "inventory" is an itemized list of enumeration of property, item by item---it is to enable the parties to ascertain the different articles that go to make up the entire stock---Shawnee Fire Inc. Co. v. Thompson & Rowell  
119 P. 985

An inventory is an itemized list of the various articles constituting stock in trade with their estimated or actual value. Southern Fire Inc. Co., v. Knight 35 S.E. 821.

There is no indication that the Legislature intended to insert any new concept into the traditional and common understanding of the word "inventory" as indicated above.

The Legislature obviously only intended to place the value of stock on hand on a realistic basis. The addition of the words "for which payment may be due" are confusing and do not appear to add anything to the apparent purpose of the Act. To reach a conclusion that these words were intended to remove any paid items from inventory chargeable to working capital would be a radical and absurd departure from common commercial practice. It can only be assumed that the Legislature intended by these words to be doubly sure that no price except that which the State had to pay for the product would be used in determining the value of the merchandise chargeable against working capital.

By

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