

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 944

H. P. 773

House of Representatives, March 6, 1975

On motion of Mr. Finemore of Bridgewater, referred to Committee on Taxation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Susi of Pittsfield.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

**AN ACT to Raise the Tax on Beer, Wine and Other Alcoholic Beverages
to Provide Operating Funds for Alcohol Treatment Facilities.**

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. 28 MRSA § 451, first sentence, as last amended by PL 1969, c. 360, § 14, is repealed and the following enacted in place thereof:

All spirits and wines, except table wines, shall be sold by the commission at a price to be determined by the commission which will produce a state liquor tax of not less than 75% based on the less carload cost f.o.b., State Liquor Commission warehouse. There shall also be levied and imposed on all spirits and wines, except table wines, sold by the Commission, a surtax of 1% of the price determined by the Commission.

Sec. 2. 28 MRSA § 452, first ¶, last sentence, is amended to read:

A wholesale licensee who imports malt liquor shall pay an excise tax of ~~25¢~~ 27¢ per gallon and at a like rate for any multiple or fraction thereof.

Sec. 3. 28 MRSA § 452, 2nd ¶, as enacted by PL 1969, c. 360, § 15, is amended to read:

There shall be levied and imposed an excise tax of ~~30¢~~ 32¢ per gallon, or fraction or multiple thereof, on all table wines containing 14% or less alcohol by volume imported into this State; except the excise tax shall be ~~20¢~~ 22¢ per gallon or fraction or multiple thereof on all still wine containing 14% or less alcohol by volume which is manufactured or bottled in this State; and an excise tax of ~~\$+~~ \$1.05 per gallon or multiple or fraction thereof on all sparkling wines manufactured in or imported into this State. Such taxes shall be paid by the Maine manufacturer or the importing wholesaler.

Sec. 4. Appropriation. There is appropriated from the General Fund to the Department of Health and Welfare the sum of \$1,649,847 for the biennium to carry out the purposes of this Act. The breakdown shall be as follows:

HEALTH AND WELFARE, DEPARTMENT OF	1975-76	1976-77
Office of Alcoholism and Drug Abuse Prevention		
Personal Services	(2) \$ 26,647	(2) \$ 27,850
All Other	677,830	914,320
Capital Expenditures	2,600	600
	<hr/>	<hr/>
	\$707,077	\$942,770

STATEMENT OF FACT

The purpose of this bill is to continue to provide funding for the 12 residential alcohol treatment facilities and 2 out-patient/early intervention programs that are presently operating and funded by the Office of Alcoholism and Drug Abuse Prevention. This bill would generate new revenue by imposing a small tax increase on the sale of beer, wine and bottled liquor. A portion of this new tax revenue would then be used to fund the treatment programs.

Based on sales in calendar 1974, this bill would add approximately \$942,770 per annum to the General Fund. The surtax on bottled liquor would contribute \$440,000, beer sales, \$480,000, table wines, \$20,000 and sparkling wines, \$2,770. The additional cost to the consumer would be approximately 1¢ per six-pack of beer, less than ½¢ per fifth of table wine, 1¢ per fifth of sparkling wine and 5¢ on a \$5 purchase of liquor in a state store.

Studies have shown that 9% of adults buy about 50% of all alcoholic beverages and that 15% of adults purchase more than 75% of all alcoholic beverages. Thus those who drink the most will pay the majority of the tax under this bill.

Alcoholism is America's 3rd largest health problem, surpassed only by heart disease and cancer. Nationally, alcohol accounts for over 28,000 auto fatalities and over 1,000,000 major auto injuries each year. In Maine, there are an estimated 50,000 alcoholics and problem drinkers, and in 1974 alone, there were approximately 15,000 alcohol related criminal offenses committed. Also, the cost of alcoholism resulting from loss of production and absenteeism in industry, health and medical care and police, prosecutorial and judicial time amounted to \$126,000,000 in Maine in 1974. The cost of the most tragic consequence of alcoholism, broken families and ruined lives, is incalculable.