

MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 857

H. P. 731

House of Representatives, March 9, 1977

On motion of Mrs. Post of Owls Head, referred to Committee on Taxation.
Sent up for concurrence and 2,000 ordered printed.

EDWIN H. PERT, Clerk

Presented by Mrs. Post of Owls Head.

Cosponsors: Messrs. Norris of Brewer, Curran of South Portland, Bren-
erman of Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

AN ACT to Raise the Tax on Beer, Wine and other Alcoholic Beverages to Provide Funds for the Operation of Alcoholic Treatment Facilities, the Establishment of Education and Treatment Programs for Alcohol Abusers Convicted of Operating under the Influence and other Minor Crimes and the Establishment of a Program of Substance Abuse.

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

Sec. 1. 28 MRSA § 451, 1st ¶, 1st sentence, as repealed and replaced by PL 1967, c. 544, § 65, is repealed and the following enacted in its place:

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 3% of the price determined by the commission.

Sec. 2. 28 MRSA § 452, 1st ¶, last sentence is amended to read:

A wholesale licensee who imports malt liquor shall pay an excise tax of ~~25¢~~ 29¢ per gallon and at a like rate for any multiple or fraction thereof.

Sec. 3. 28 MRSA § 452, 2nd ¶, 1st sentence, as enacted by PL 1969, c. 360, § 15, is amended to read:

There shall be levied and imposed an excise tax of ~~30¢~~ 33¢ per gallon, or

fraction or multiple thereof, on all table wine containing 14% or less alcohol by volume imported into this State; except the excise tax shall be ~~20¢~~ 23¢ 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.

Sec. 4. Appropriation. There is appropriated from the General Fund to the Department of Human Services the sum of \$4,456,989 for the biennium to carry out the purposes of this Act. The breakdown shall be as follows:

	1977-78	1978-79
HUMAN SERVICES, DEPARTMENT OF		
Office of Alcoholism and Drug Abuse Prevention		
Personal Services	(6) \$ 40,488	(6) \$ 96,400
Capital	18,000	—
All Other	1,712,101	2,590,000
Total	<u>\$1,770,589</u>	<u>\$2,686,400</u>

STATEMENT OF FACT

The purpose of this bill is to generate new revenue from the sale of alcoholic beverages to fund a major attack on alcohol abuse and alcoholism. Alcoholism is now 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 60,000 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.

The moneys raised by this bill would be used to fund a 3-pronged attack on alcoholism and alcohol abuse. First, part of the revenue would be used to continue funding and upgrade the quality of treatment for Maine's in-patient and out-patient alcoholism programs and to provide for occupational and industrial alcoholism counseling. Secondly, these moneys would be used to implement a program of prevention of alcohol abuse and thirdly, this revenue would provide for the education and treatment of alcohol abusers who are convicted of operating under the influence and other Class C, D and E criminal offenses.

Based on sales for the fiscal year ending June 30, 1976, this bill would add approximately \$2,492,087 per year to the General Fund. The 3% surtax on

bottled liquor would contribute \$1,441,641, the surtax on beer would contribute \$1,010,722 and the surtax on sparkling and table wines would contribute approximately \$39,724. The additional cost to the consumer would be approximately 2¢ per 6-pack of beer, 1¢ per fifth of table wine and sparkling wine and 15¢ on a \$5.00 purchase of liquor.

This tax increase would fall primarily on persons who drink heavily, for 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.