

MAINE STATE LEGISLATURE

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1 (After Deadline)

2 FIRST REGULAR SESSION
3

4 ONE HUNDRED AND ELEVENTH LEGISLATURE
5

6 Legislative Document

No. 1432

7
8 H.P. 1084

House of Representatives, April 6, 1983

9 Approved for introduction by a majority of the Legislative Council
10 pursuant to Joint Rule 27.

11 Referred to the Committee on Legal Affairs. Sent up for concurrence and
ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative Jalbert of Lewiston.

12 Cosponsors: Senator Charette of Androscoggin, Representative Higgins of
Portland and Representative Dillenback of Cumberland.

13 STATE OF MAINE
14

15 IN THE YEAR OF OUR LORD
16 NINETEEN HUNDRED AND EIGHTY-THREE
17

18 AN ACT to Revise the Markup Percentage
19 for Maine Produced Products Under the Liquor
20 Law.
21

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

24 28 MRSA §451, first ¶, as amended by PL 1979, c.
25 161, is further amended to read:

26 All spirits and wines, except table wines, shall
27 be sold by the commission at a price to be determined
28 by the commission which will produce a state liquor
29 tax of not less than 75% based on the less carload
30 cost ~~f-o-b~~ F.O.B., State Liquor Commission ware-
31 house, and in addition thereto there shall be levied
32 and imposed an excise tax of 75¢ per gallon, or its
33 metric equivalent, on wines containing more ~~then~~ than
34 14% alcohol by volume; except that spirits and wines
35 sold at wholesale under section 204 may be sold at

1 wholesale prices established pursuant to the provi-
2 sions thereof. Prices for sale of spirits and wines
3 bought by the commission from Maine licensees ~~to~~ who
4 manufacture liquor under section 501 shall be sold by
5 the commission at a price to be determined by the
6 commission, which will produce a state liquor tax of
7 not less than 65% based on minimum truck load deliv-
8 ery prices ~~f-o-b-~~ F.O.B. warehouse as the same are
9 filed with the Public Utilities Commission. Special
10 orders by the commission for unstocked merchandise
11 shall be priced at not less than 75% over actual cost
12 delivered ~~f-o-b-~~ F.O.B. warehouse. In all cases the
13 commission is authorized to round off costs to the
14 next highest ~~5 cents~~ 5¢. Any increased federal taxes
15 levied on or after November 1, 1941, shall be added
16 to the established price without markup. All net rev-
17 enue derived from ~~such~~ that tax shall be deposited to
18 the credit of the General Fund of the State. Not-
19 withstanding the other provisions of this section,
20 the commission, with approval of the Commissioner of
21 Finance and Administration, may reduce the price of
22 discontinued items of liquor. The reduced price
23 shall not be less than the actual cost of the discon-
24 tinued liquor items and no item ~~shall~~ may be discon-
25 tinued by the commission for a period of at least 6
26 months after ~~such~~ that item has been listed and on
27 sale in state stores. Notwithstanding the other
28 provisions of this section, the commission, with the
29 approval of the Commissioner of Finance and Adminis-
30 tration, may reduce the price of liquor in one store,
31 and licensees permitted to purchase liquor at a dis-
32 count under section 204 may purchase liquor for
33 resale from that store at the same price they are
34 permitted to purchase liquor for resale from any
35 state store which does not offer a retail discount.

36

STATEMENT OF FACT

37 The purpose of this bill is to restore the com-
38 petitive position of Maine liquor manufacturers by
39 reducing the percentage markup by the State Liquor
40 Commission from 75% minimum to 65% minimum. This
41 competitive position was harmed unintentionally by
42 the enactment of legislation allowing the warehousing
43 of liquor in Maine. By warehousing liquor in Maine,

1 out-of-state competitors of Maine liquor manufac-
2 turers can lower the amount their product is marked
3 by the commission and thereby sell their product at a
4 lower price. Further, this bill allows the State to
5 better compete for the jobs attendant to liquor manu-
6 facturing. The State of New Hampshire, for example,
7 offers domestic liquor manufacturers a significantly
8 lower markup than that which is applicable to out-
9 of-state manufacturers who sell in New Hampshire.

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