

MAINE STATE LEGISLATURE

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(After Deadline)
FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No. 1092

S.P. 357 In Senate, April 2, 1987
Approved for Introduction by a Majority of the Legislative
Council pursuant to Joint Rule 27.

Reference to the Committee on Taxation suggested and
ordered printed.

JOY J. O'BRIEN, Secretary of the Senate

Presented by Senator GAUVREAU of Androscoggin.

Cosponsored by Representative HANDY of Lewiston,
Representative BOTT of Orono, Representative PERRY of Mexico.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-SEVEN

1 AN ACT Relating to Liquor Excise Taxes and
2 Freight Rates.
3

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

6 Sec. 1. 28 MRSA §53, sub-§3-A is enacted to
7 read:

8 3-A. Policies or rules favoring local producers.
9 To adopt policies, practices and rules consistent
10 with this Title, other laws of the State and applica-
11 ble constitutional principles, for acting as a market
12 participant in the state liquor market and using pub-
13 lic funds from the General Fund profits of the com-
14 mission to influence purchasers of alcoholic bever-
15 ages in the State to purchase the alcoholic products

1 of the in-state manufacturers. In order to further
2 the policy of this subsection, the commission shall
3 adopt a retail profit markup applicable to all alco-
4 holic beverages produced in the State of 10% less
5 than the markup adopted for other similar alcoholic
6 products sold in the State;

7 Sec. 2. 28 M RSA §451, as amended by PL 1985, c.
8 785, Pt. A, §104, is repealed and the following en-
9 acted in its place:

10 §451. Retail markup

11 All spirits and wines, except table wines, shall
12 be sold by the commission at a price to be determined
13 by the commission which will produce a retail markup
14 of not less than 75% based on the less carload cost
15 F.O.B. liquor warehouse. In addition, there shall be
16 levied and imposed a further markup of 75¢ per gal-
17 lon, or its metric equivalent, on wines other than
18 table wines; except that spirits and wines sold at a
19 discount under section 204 may be sold at lower
20 prices established pursuant to section 204. Special
21 orders by the commission for unstocked merchandise
22 shall be priced at not less than 75% over actual cost
23 delivered F.O.B. liquor warehouse. In all cases, the
24 commission is authorized to round off costs to the
25 next highest 5¢. Any increased federal taxes levied
26 on or after November 1, 1941, shall be added to the
27 established price without markup. All net revenue
28 derived from the liquor sales shall be deposited to
29 the credit of the General Fund of the State. Not-
30 withstanding the other provisions of this section,
31 the commission, with approval of the Commissioner of
32 Finance, may reduce the price of discontinued items
33 of liquor. The reduced price shall not be less than
34 the actual cost of the discontinued liquor items and
35 no item may be discontinued by the commission for a
36 period of at least 6 months after the item has been
37 listed and on sale in state stores. Notwithstanding
38 the other provisions of this section, the commission,
39 with the approval of the Commissioner of Finance, may
40 reduce the price of liquor in one store, and licens-
41 ees may purchase liquor for resale from that store at
42 the same price they are permitted to purchase liquor
43 for resale from any state store which does not offer
44 a retail discount.

1 an accompanying statement of state policy concerning
2 preference for in-state manufacturers.

3 Section 1 of the bill adds a new subsection con-
4 cerning powers of the State Liquor Commission. The
5 new subsection says that it is the policy of the
6 State that the commission act as a market participant
7 in the state liquor market and use public funds to
8 influence purchasers in the State to buy
9 Maine-produced alcoholic beverages. In furtherance
10 of this goal, the commission is instructed, among
11 other things, to adopt a markup system under which
12 Maine-produced alcoholic products will be marked up
13 10% less in state liquor stores than similar products
14 not produced in Maine. It is the intent of the Leg-
15 islature to mark up Maine products currently at a
16 rate which is 10% less than that applied to other
17 products. In acting as a market participant, the
18 commission may adopt whatever policies, practices and
19 rules it determines are necessary, but it is the in-
20 tent of the Legislature that the commission's actions
21 be consistent with the Maine Revised Statutes, Title
22 28, all other laws in Maine and applicable constitu-
23 tional principles.

24 In addition, several references to consumer
25 "taxes" in the markup description contained in the
26 Maine Revised Statutes, Title 28, section 451, have
27 been removed because those references do not deal
28 with the imposition of true taxes on goods, but with
29 the price-setting mechanisms of the commission as a
30 state-controlled business for the retail sale of al-
31 coholic products in Maine.

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