

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

SECOND REGULAR SESSION-1994

Legislative Document

No. 1710

S.P. 612

In Senate, January 11, 1994

An Act to Simplify the State's Liquor Tax.

Submitted by the Department of Administrative and Financial Services pursuant to Joint Rule 24.
Reference to the Committee on Legal Affairs suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator HALL of Piscataquis.

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

2
3 **Sec. 1. 28-A MRSA §64, sub-§2**, as enacted by PL 1987, c. 45,
4 Pt. A, §4, is amended to read:

6 **2. Inventory.** The commission may keep and have on hand a
7 stock of spirits and wine for sale, the value of which, when
8 priced for resale, shall be computed on ~~less--earlead--price~~
9 ~~quotations~~ the delivered case cost F.O.B. liquor warehouse filed
10 by liquor vendors. The inventory value shall be based upon
11 actual cost for which payment may be due and shall not at any
12 time exceed the amount of working capital authorized. Spirits
13 and wine shall not be considered in the inventory until payment
14 has been made for them. The commission may also keep and have on
15 hand a stock of nonalcoholic mixers for sale. The inventory
16 value of the mixers must be included with the amount of working
17 capital authorized for spirits and wine.

18 **Sec. 2. 28-A MRSA §352, sub-§1, ¶D**, as enacted by PL 1991, c.
19 791, §1, is amended to read:

22 D. In addition to the methods of payment permitted in
23 paragraph C, an agency liquor store, when approved by the
24 commission, may pay for liquor purchased from the commission
25 ~~within 10 days if the agent has deposited cash in escrow~~
26 ~~with the commission to cover these purchases~~ by immediately
27 mailing a check when notified of the amount due or upon
28 receiving a liquor delivery. All payments mailed must be
29 received within 10 days.

30 **Sec. 3. 28-A MRSA §606, sub-§1-A**, as repealed and replaced by
31 PL 1993, c. 276, §3, is amended to read:

34 **1-A. On-premises licensees; purchase from agency store.** A
35 person licensed to sell spirits for consumption on the premises
36 whose premises are located at least 15 miles from the nearest
37 state liquor store may purchase spirits from an agency liquor
38 store only in accordance with this subsection.

40 A. The sale price of spirits sold to a licensee under this
41 subsection must equal the price for which a licensee would
42 purchase liquor at a state store.

44 B. Upon completion of a transaction, the agency liquor
45 store and the on-premise licensee shall each retain a copy
46 of the licensee order form.

48 **Sec. 4. 28-A MRSA §708, sub-§5** is enacted to read:

2 5. Marketing or promotional activities. Notwithstanding
3 subsection 3, retail licensees may engage in any marketing or
4 promotional activities for the sale of spirits that have been
5 approved by the commission for use in state liquor stores and
6 that comply with the regulations of the federal Bureau of
7 Alcohol, Tobacco and Firearms.

8 **Sec. 5. 28-A MRSA §1651, sub-§1**, as amended by PL 1991, c.
9 819, §1, is further amended to read:

10 1. **State liquor tax.** Except as provided in subsection 2,
11 the commission shall determine and set the price at which to sell
12 all spirits which will produce a state liquor tax of not less
13 than 75% ~~65%~~ based on the ~~less-earlead~~ delivered case cost F.O.B.
14 liquor warehouse.

15 ~~A. In all cases the commission may round off costs to the~~
16 ~~next highest 5¢.~~

17 ~~B. Any increased federal taxes levied on or after November~~
18 ~~1, 1941, shall be added to the established price without~~
19 ~~markup.~~

20 C. The commission shall add any cost to the State, related
21 to handling containers returned for refund pursuant to Title
22 32, section 1863-A, to the established price without markup.

23 **Sec. 6. 28-A MRSA §1651, sub-§2, ¶¶B and D**, as enacted by PL
24 1987, c. 45, Pt. A, §4, are repealed.

32 STATEMENT OF FACT

33 This bill allows the State Liquor Commission to have a stock
34 of wine for sale, the value of which, when priced for resale, is
35 computed on the delivered case cost F.O.B. liquor warehouse filed
36 by liquor vendors.

37 This bill permits the sale of nonalcoholic mixers in
38 state-operated liquor stores.

39 This bill allows agency liquor stores that order directly
40 from the Bureau of Alcoholic Beverages and Lottery Operations to
41 mail payments for liquor.

42 This bill permits on-premise licensees to purchase liquor
43 from an agency liquor store only if the licensee is located at
44 least 15 miles from the nearest state liquor store.

2 This bill permits retail licensees to engage in marketing
and promotional activities approved by the State Liquor
Commission.

4

6 This bill also changes the mark-up procedure used by the
Bureau of Alcoholic Beverages and Lottery Operations in
establishing the price at which to sell spirits.

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14 This document has not yet been reviewed to determine the
need for cross-reference, stylistic and other technical
amendments to conform existing law to current drafting standards.