

# MAINE STATE LEGISLATURE

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# 118th MAINE LEGISLATURE

## SECOND REGULAR SESSION-1998

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Legislative Document

No. 2139

H.P. 1517

House of Representatives, January 20, 1998

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### **An Act to Equalize and Clarify the Tax on Hard Cider.**

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Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink, reading "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative GREEN of Monmouth.  
Cosponsored by Senator DAGGETT of Kennebec and  
Representatives: CIANCHETTE of South Portland, MARVIN of Cape Elizabeth, SPEAR of  
Nobleboro, TUTTLE of Sanford, Senator: FERGUSON of Oxford.

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

Sec. 1. 28-A MRSA §2, sub-§12-A is enacted to read:

12-A. Hard cider. "Hard cider" means liquor produced by fermentation of the juice of apples, including, but not limited to flavored, sparkling or carbonated cider, that contains not less than 1/2 of 1% alcohol by volume and not more 7% alcohol by volume.

Sec. 2. 28-A MRSA §2, sub-§16, as enacted by PL 1987, c. 45, Pt. A, §4, is amended to read:

16. Liquor. "Liquor" means spirits, wine or, malt liquor or hard cider, or any substance containing liquor, intended for human consumption, which that contains more than 1/2 of 1% of alcohol by volume.

Sec. 3. 28-A MRSA §2, sub-§37, as enacted by PL 1987, c. 45, Pt. A, §4, is amended to read:

37. Winery. "Winery" means a facility which that ferments, ages and bottles wine and hard cider.

Sec. 4. 28-A MRSA §1652, sub-§2, as amended by PL 1987, c. 623, §16, is further amended to read:

2. Excise tax on wine; hard cider. An excise tax is imposed on the privilege of manufacturing and selling wine in the State. The Maine manufacturer or importing wholesale licensee shall pay an excise tax of 30¢ per gallon on all wine other than sparkling wine manufactured in or imported into the State and, \$1 per gallon on all sparkling wine manufactured in or imported into the State and 25¢ per gallon on all hard cider manufactured in or imported into the State. Wine, hard cider or wine spirits may be withdrawn from a bonded wine premises for use by or for the account of the proprietor or agents of the proprietor for analysis or testing, organoleptically or otherwise, or for tasting or sampling on bonded wine premises without being subject to the tax under this section.

Sec. 5. 28-A MRSA §1703, sub-§2, as amended by PL 1997, c. 373, §§140 to 142, is further amended to read:

2. Malt liquor, wine, low-alcohol spirits products, fortified wines and hard cider. In addition to any other tax or charge imposed under state or federal law, a premium must be imposed on all malt liquor and, wine, including fortified wines, sold in the State and hard cider and on all low-alcohol spirits products sold in the State by persons licensed to sell wine for

consumption on or off the premises. The premium must be in the amount specified in subsection 3. Wine, hard cider or wine spirits may be withdrawn from a bonded wine premises for use by or for the account of the proprietor or agents of the proprietor for analysis or testing, organoleptically or otherwise, or for tasting or sampling on bonded wine premises without being subject to the tax under this section.

A. The bureau shall open a premium account with all manufacturers and importing wholesalers.

B. Premiums must be collected in the same manner provided for the collection of excise taxes under sections 1404 and 1405.

C. Premiums must be paid to the bureau by the Maine manufacturer or importing wholesaler.

D. The duties, prohibitions and liabilities under this subsection of licensees and certificate of approval holders are the same as those under sections 1361, 1364, 1404 and 1405.

E. The bureau shall grant credits and make adjustments under this subsection on the same terms and conditions as provided in section 1652.

**Sec. 6. 28-A MRSA §1703, sub-§3, ¶A, as enacted by PL 1987, c. 45, Pt. A, §4, is amended to read:**

A. Ten cents per gallon on all malt beverages and hard cider sold in the State;

## SUMMARY

Traditional hard cider is a low-alcohol beverage that, despite its low-alcohol content, is currently taxed at the table wine rate of 60¢ per gallon. The purpose of this bill is to follow the lead of other states and the Federal Government and reduce the tax on hard cider to the beer rate of approximately 35¢ per gallon. It also clarifies that wine and hard cider may be withdrawn from a bonded wine premises or used on bonded wine premises for purposes such as testing and tasting without being subject to the excise or premium tax.