

# MAINE STATE LEGISLATURE

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# 122nd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2005

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Legislative Document

No. 841

S.P. 280

In Senate, February 16, 2005

### An Act To Reform the Taxation of Malt Liquor and Wine

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Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script, reading 'Joy J. O'Brien'.

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator MILLS of Somerset.

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

4 **Sec. 1. 28-A MRSA §1652, sub-§1**, as repealed and replaced by PL 1987, c. 342, §116, is amended to read:

6 **1. Excise tax on malt liquor and wine.** An excise tax is  
8 imposed on the privilege of manufacturing and selling malt  
10 liquor, wine and low-alcohol spirits products in the State. The  
12 Maine manufacturer or importing wholesale licensee shall pay an  
excise tax of ~~25¢ per gallon on all malt liquor~~ 1¢ for each 1/10  
of an ounce of 100% alcohol sold in the State in malt beverages,  
hard cider, wine and low-alcohol spirits products.

14 **Sec. 2. 28-A MRSA §1652, sub-§2**, as amended by PL 1997, c.  
16 767, §4, is repealed.

18 **Sec. 3. 28-A MRSA §1703, sub-§3, ¶A**, as amended by PL 1997, c.  
20 767, §6, is repealed.

22 **Sec. 4. 28-A MRSA §1703, sub-§3, ¶A-1** is enacted to read:

24 A-1. Two tenths of one cent for each 1/10 of an ounce of  
100% alcohol sold in the State in malt beverages, hard  
cider, wine and low-alcohol spirits products; and

26 **Sec. 5. 28-A MRSA §1703, sub-§3, ¶B**, as enacted by PL 1987, c.  
28 45, Pt. A, §4, is repealed.

30 **Sec. 6. 28-A MRSA §1703, sub-§3, ¶C**, as amended by PL 1993, c.  
32 462, §9, is repealed.

34 **SUMMARY**

36 Current taxes on beer and wine are imposed in 2 components,  
38 an excise tax and a premium tax. The excise tax goes to the  
General Fund; the premium tax, added in 1981, supports a fund for  
40 the prevention of alcoholism. The 2 taxes may be summarized as  
follows:

	<b>Excise Tax</b>	<b>Premium Tax</b>	<b>Approx. Tax Per Ounce of Alcohol</b>
42 Beer:	25¢ per gal.	10¢ per gal.	6.8¢
44 Wine:	30¢ per gal.	30¢ per gal.	3.9¢
46 Sparkling wine:	\$1 per gal.	24¢ per gal.	8.1¢

48 The calculation of tax per ounce of alcohol in the  
50 right-hand column is based on the assumption that beer is 4%  
alcohol and that wine is 12%. Beer is usually between 3% and 6%  
alcohol; and wine is usually between 11% and 14%.

2           This bill taxes these products at the uniform rate of 12¢  
per ounce of pure alcohol that each contains. The tax is broken  
4 down as 10¢ for the excise tax to the General Fund and 2¢ as the  
premium tax for the prevention fund. This will double revenue to  
6 the General Fund and increase slightly the prevention fund.

8           This bill nearly doubles the tax on beer, triples the tax on  
wine and increases the tax on sparkling wine by about 50%.