

MAINE STATE LEGISLATURE

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126th MAINE LEGISLATURE

FIRST REGULAR SESSION-2013

Legislative Document

No. 1402

H.P. 998

House of Representatives, April 10, 2013

An Act To Amend the Taxes Imposed on Alcohol and Lodging

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative MOONEN of Portland.

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

2 **PART A**

3 **Sec. A-1. 3 MRSA §959, sub-§1, ¶D**, as amended by PL 2005, c. 634, §1, is
4 further amended to read:

5 D. The joint standing committee of the Legislature having jurisdiction over criminal
6 justice and public safety matters shall use the following list as a guideline for
7 scheduling reviews:

8 (1) Department of Public Safety, except for the division designated by the
9 Commissioner of Public Safety to enforce the law relating to the manufacture,
10 importation, storage, transportation and sale of all liquor and to administer those
11 laws relating to licensing ~~and the collection of taxes on~~ malt liquor and wine and
12 the Emergency Services Communication Bureau, in 2001;

13 (2) Department of Corrections in 2011; and

14 (3) The Maine Emergency Management Agency within the Department of
15 Defense, Veterans and Emergency Management in 2008.

16 **Sec. A-2. 28-A MRSA §2, sub-§15-A**, as amended by PL 1997, c. 373, §15, is
17 further amended to read:

18 **15-A. Liquor Licensing Division.** "Liquor Licensing ~~and Tax~~ Division" means the
19 Liquor Licensing ~~and Tax~~ Division within the bureau.

20 **Sec. A-3. 28-A MRSA §3, sub-§1-B**, as enacted by PL 1993, c. 730, §13, is
21 amended to read:

22 **1-B. Liquor Licensing Division may accept checks.** The Liquor Licensing ~~and~~
23 ~~Tax~~ Division may accept checks for license fees, application fees, permits, ~~excise taxes,~~
24 ~~premiums~~ and any other fees authorized by this Title.

25 **Sec. A-4. 28-A MRSA §13**, as enacted by PL 1991, c. 528, Pt. VV, §3 and
26 affected by Pt. RRR and enacted by c. 591, Pt. VV, §3, is amended to read:

27 **§13. Low-alcohol spirits product sold by wine licensees**

28 Notwithstanding any provision of this Title, a person licensed to sell wine for
29 consumption on or off the premises may also sell low-alcohol spirits products. All
30 provisions of this Title applicable to wine, ~~except chapters 65 and 67~~, apply to low-
31 alcohol spirits products when sold by persons licensed to sell wine for consumption on or
32 off the premises.

33 **Sec. A-5. 28-A MRSA §88, sub-§6**, as enacted by PL 2003, c. 20, Pt. LLL, §2
34 and affected by §4, is amended to read:

35 **6. Limitation on conveyances of rights.** The State may not convey or assign to
36 private entities any rights in the distilled spirits business that extend beyond June 30,

1 2014. Any renewal of such rights is subject to approval of the Legislature. This section
2 does not affect the State's continuing right to collect ~~the alcohol premium tax~~, sales taxes
3 or income taxes arising from the sale of distilled spirits and fortified wines.

4 **Sec. A-6. 28-A MRSA §606, sub-§7**, as amended by PL 1997, c. 373, §58, is
5 repealed.

6 **Sec. A-7. 28-A MRSA §1052-B, sub-§6**, as enacted by PL 1999, c. 677, §2, is
7 repealed.

8 **Sec. A-8. 28-A MRSA §1052-C, sub-§8**, as enacted by PL 2011, c. 259, §2, is
9 repealed.

10 **Sec. A-9. 28-A MRSA §1355-A, sub-§2, ¶A**, as enacted by PL 2011, c. 629,
11 §22, is amended to read:

12 A. A licensee may permit sampling of the liquor product on the premises:

13 (1) By employees for the purpose of quality control of the product;

14 (2) By wholesalers for the purpose of determining whether to carry the product as
15 a wholesale product ~~if the holder of the license pays the excise tax on the product~~
16 ~~sampled according to section 1652~~; and

17 (3) By the public ~~if the holder of the license pays the excise tax on the product~~
18 ~~sampled according to section 1652~~.

19 **Sec. A-10. 28-A MRSA §1364, sub-§3**, as amended by PL 2011, c. 147, §1, is
20 repealed.

21 **Sec. A-11. 28-A MRSA §1365**, as amended by PL 1997, c. 373, §120, is
22 repealed.

23 **Sec. A-12. 28-A MRSA §1371, sub-§3**, as amended by PL 1997, c. 373, §122, is
24 repealed.

25 **Sec. A-13. 28-A MRSA §1403-A, sub-§2**, as amended by PL 2011, c. 629, §29,
26 is further amended to read:

27 **2. Direct shipment of wine.** A small winery or other winery holding a federal basic
28 wine manufacturing permit located within or outside the State may obtain a wine direct
29 shipper license by filing with the Liquor Licensing ~~and Tax~~ Division an application in a
30 form determined by the bureau accompanied by an application fee of not more than \$200
31 and a copy of the applicant's current federal basic wine manufacturing permit and a list of
32 wine labels to be shipped in accordance with this section.

33 **Sec. A-14. 28-A MRSA §1403-A, sub-§10**, as amended by PL 2011, c. 629,
34 §30, is repealed.

35 **Sec. A-15. 28-A MRSA §1404, sub-§1, ¶¶C, E and F**, as amended by PL
36 1997, c. 373, §128, are further amended to read:

1 C. The unbonded wholesale licensee ordering malt liquor or wine shall mail 3 copies
2 of the form to the bureau ~~with a check for the amount of excise taxes required to~~
3 ~~cover the amount of the order.~~

4 E. On receipt of the 3 copies ~~and a check for excise taxes~~, the bureau shall promptly
5 process the copies and return one copy to the wholesale licensee and send one to the
6 brewery, winery or foreign wholesaler designated to receive the order. The bureau
7 shall keep the 3rd copy on file.

8 F. No brewery, winery or foreign wholesaler may ship or release malt liquor or wine
9 for delivery in Maine until notified by the bureau ~~that the excise tax has been paid in~~
10 ~~accordance with this section.~~

11 **Sec. A-16. 28-A MRSA §1405, sub-§2**, as amended by PL 1997, c. 373, §130, is
12 repealed.

13 **Sec. A-17. 28-A MRSA §1405, sub-§3**, as amended by PL 2011, c. 147, §2, is
14 repealed.

15 **Sec. A-18. 28-A MRSA c. 65**, as amended, is repealed.

16 **Sec. A-19. 28-A MRSA c. 67**, as amended, is repealed.

17 **PART B**

18 **Sec. B-1. 36 MRSA §1764**, as amended by PL 2011, c. 548, §17, is further
19 amended to read:

20 **§1764. Tax against certain casual sales**

21 The tax imposed by this Part must be levied upon all casual rentals of living quarters
22 in a hotel, rooming house, tourist camp or trailer camp and upon all casual sales involving
23 the sale of trailers, truck campers, motor vehicles, special mobile equipment, watercraft
24 or aircraft unless the property is sold for resale at retail sale or to a corporation,
25 partnership, limited liability company or limited liability partnership when the seller is
26 the owner of a majority of the common stock of the corporation or of the ownership
27 interests in the partnership, limited liability company or limited liability partnership. This
28 section does not apply to the rental of living quarters rented for a total of fewer than ~~15~~ 8
29 days in the calendar year, except that a person who owns and offers for rental more than
30 one property in the State during the calendar year is liable for collecting sales tax with
31 respect to the rental of each unit regardless of the number of days for which it is rented.
32 For purposes of this section, "special mobile equipment" does not include farm tractors
33 and lumber harvesting vehicles or loaders.

34 **Sec. B-2. 36 MRSA §1811, first ¶**, as amended by PL 2011, c. 209, §4 and
35 affected by §5, is further amended to read:

36 A tax is imposed on the value of all tangible personal property and taxable services
37 sold at retail in this State. The rate of tax is ~~7%~~ 9% on the value of liquor sold in licensed
38 establishments as defined in Title 28-A, section 2, subsection 15, in accordance with Title

1 28-A, chapter 43; ~~7%~~ 9% on the value of rental of living quarters in any hotel, rooming
2 house or tourist or trailer camp; 10% on the value of rental for a period of less than one
3 year of an automobile, of a pickup truck or van with a gross vehicle weight of less than
4 26,000 pounds rented from a person primarily engaged in the business of renting
5 automobiles or of a loaner vehicle that is provided other than to a motor vehicle dealer's
6 service customers pursuant to a manufacturer's or dealer's warranty; 7% on the value of
7 prepared food; and 5% on the value of all other tangible personal property and taxable
8 services. Value is measured by the sale price, except as otherwise provided. The value of
9 rental for a period of less than one year of an automobile or of a pickup truck or van with
10 a gross vehicle weight of less than 26,000 pounds rented from a person primarily engaged
11 in the business of renting automobiles is the total rental charged to the lessee and
12 includes, but is not limited to, maintenance and service contracts, drop-off or pick-up
13 fees, airport surcharges, mileage fees and any separately itemized charges on the rental
14 agreement to recover the owner's estimated costs of the charges imposed by government
15 authority for title fees, inspection fees, local excise tax and agent fees on all vehicles in its
16 rental fleet registered in the State. All fees must be disclosed when an estimated quote is
17 provided to the lessee.

18 **SUMMARY**

19 Part A repeals the excise taxes and premiums imposed on spirits, wine and malt
20 liquor and the requirements regarding those excise taxes and premiums.

21 Part B increases the sales and use tax imposed on lodging from 7% to 9% and on
22 liquor sold for consumption on or off the premises of licensed establishments from 7% to
23 9%. Part B also amends the exemption of casual rentals of living quarters to decrease the
24 exempt period from fewer than 15 days to fewer than 8 days.