

# MAINE STATE LEGISLATURE

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# 129th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2019

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Legislative Document

No. 1070

H.P. 793

House of Representatives, March 5, 2019

**An Act To Reduce the Number of Domestic Assaults and Suicides  
By Increasing the Tax on Alcohol**

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Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT  
Clerk

Presented by Representative CARDONE of Bangor.  
Cosponsored by Senator GRATWICK of Penobscot and  
Representatives: FARNSWORTH of Portland, HEPLER of Woolwich, McCREA of Fort  
Fairfield, RECKITT of South Portland.

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

2 **Sec. 1. 28-A MRSA §1652, sub-§§1 to 2**, as amended by PL 2013, c. 368, Pt.  
3 XXXX, §8 and affected by §13, are further amended to read:

4 **1. Excise tax on malt liquor.** An excise tax is imposed on the privilege of  
5 manufacturing and selling malt liquor in the State. The Maine manufacturer or importing  
6 wholesale licensee shall pay an excise tax of ~~35¢~~ 50¢ per gallon on all malt liquor sold in  
7 the State.

8 **1-A. Excise tax on low-alcohol spirits products and fortified wines.** An excise  
9 tax is imposed on the privilege of manufacturing and selling low-alcohol spirits products  
10 and fortified wines in the State. The Maine manufacturer or importing wholesale licensee  
11 shall pay an excise tax of ~~\$1.24~~ \$1.50 per gallon on all low-alcohol spirits products and  
12 fortified wines manufactured in or imported into the State.

13 **2. Excise tax on wine; hard cider.** An excise tax is imposed on the privilege of  
14 manufacturing and selling wine in the State. The Maine manufacturer or importing  
15 wholesale licensee shall pay an excise tax of ~~60¢~~ \$1 per gallon on all wine other than  
16 sparkling wine manufactured in or imported into the State, ~~\$1.24~~ \$1.50 per gallon on all  
17 sparkling wine manufactured in or imported into the State and ~~35¢~~ 50¢ per gallon on all  
18 hard cider manufactured in or imported into the State.

19 **Sec. 2. 28-A MRSA §1703, sub-§3, ¶D**, as enacted by PL 1987, c. 45, Pt. A, §4,  
20 is amended to read:

21 D. One dollar and ~~twenty-five~~ fifty cents per proof gallon as the term proof gallon is  
22 defined in the United States Code, Title 26, Section 5002, on all spirits sold in the  
23 State.

24 **Sec. 3. 36 MRSA §1811**, as amended by PL 2017, c. 409, Pt. D, §2, is further  
25 amended to read:

26 **§1811. Sales tax**

27 A tax is imposed on the value of all tangible personal property, products transferred  
28 electronically and taxable services sold at retail in this State. The rate of tax is 7% on the  
29 value of liquor sold in licensed establishments as defined in Title 28-A, section 2,  
30 subsection 15, in accordance with Title 28-A, chapter 43; 7% on the value of rental of  
31 living quarters in any hotel, rooming house or tourist or trailer camp; 10% on the value of  
32 rental for a period of less than one year of an automobile, of a pickup truck or van with a  
33 gross vehicle weight of less than 26,000 pounds rented from a person primarily engaged  
34 in the business of renting automobiles or of a loaner vehicle that is provided other than to  
35 a motor vehicle dealer's service customers pursuant to a manufacturer's or dealer's  
36 warranty; 7% on the value of prepared food; and 5% on the value of all other tangible  
37 personal property and taxable services and products transferred electronically.  
38 Notwithstanding the other provisions of this section, from October 1, 2013 to December  
39 31, 2015, the rate of tax is 8% on the value of rental of living quarters in any hotel,  
40 rooming house or tourist or trailer camp; 8% on the value of prepared food; 8% on the

1 value of liquor sold in licensed establishments as defined in Title 28-A, section 2,  
2 subsection 15, in accordance with Title 28-A, chapter 43; and 5.5% on the value of all  
3 other tangible personal property and taxable services and products transferred  
4 electronically. Notwithstanding the other provisions of this section, beginning January 1,  
5 2016, the rate of tax is 9% on the value of rental of living quarters in any hotel, rooming  
6 house or tourist or trailer camp; 8% on the value of prepared food; ~~8%~~ 10% on the value  
7 of liquor sold in licensed establishments as defined in Title 28-A, section 2, subsection  
8 15, in accordance with Title 28-A, chapter 43; and 5.5% on the value of all other tangible  
9 personal property and taxable services and products transferred electronically.  
10 Notwithstanding the other provisions of this section, beginning on the first day of the  
11 calendar month in which adult use marijuana and adult use marijuana products may be  
12 sold in the State by a marijuana establishment licensed to conduct retail sales pursuant to  
13 Title 28-B, chapter 1, the rate of tax is 10% on the value of adult use marijuana and adult  
14 use marijuana products. Value is measured by the sale price, except as otherwise  
15 provided. The value of rental for a period of less than one year of an automobile or of a  
16 pickup truck or van with a gross vehicle weight of less than 26,000 pounds rented from a  
17 person primarily engaged in the business of renting automobiles is the total rental charged  
18 to the lessee and includes, but is not limited to, maintenance and service contracts, drop-  
19 off or pick-up fees, airport surcharges, mileage fees and any separately itemized charges  
20 on the rental agreement to recover the owner's estimated costs of the charges imposed by  
21 government authority for title fees, inspection fees, local excise tax and agent fees on all  
22 vehicles in its rental fleet registered in the State. All fees must be disclosed when an  
23 estimated quote is provided to the lessee.

24 The tax imposed upon the sale and distribution of gas, water or electricity by any  
25 public utility, the rates for which sale and distribution are established by the Public  
26 Utilities Commission, must be added to the rates so established.

27 The value of the rental or lease of an automobile for one year or more is the  
28 following: the total monthly lease payment multiplied by the number of payments in the  
29 lease or rental, the amount of equity involved in any trade-in and the value of any cash  
30 down payment. Collection and remittance of the tax is the responsibility of the person  
31 that negotiates the lease transaction with the lessee.

32 A product transferred electronically is sold in this State if: the product is delivered  
33 electronically to a purchaser located in this State, the product is received by the purchaser  
34 at the seller's location in this State, a Maine billing address is provided by the purchaser  
35 in connection with the transaction or a Maine billing address is indicated in the seller's  
36 business records.

37 **Sec. 4. Effective date.** This Act takes effect October 1, 2019.

## 38 SUMMARY

39 This bill, for the purpose of reducing the incidence of domestic violence and suicides,  
40 increases the excise taxes imposed on spirits, malt liquor, fortified wines and hard cider  
41 and the sales tax imposed on the sale of liquor sold in establishments for consumption on  
42 or off premises.