NINETY-THIRD LEGISLATURE

Legislative Document No. 1243

H. P. 1590 House of Representatives, March 5, 1947.

Transmitted by revisor of statutes pursuant to joint order

Referred to Committee on Taxation. Sent up for concurrence and ordered printed.

HARVEY R. PEASE, Clerk

Presented by Mr. Meloon of Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED FORTY-SEVEN

AN ACT Imposing Miscellaneous Taxes.

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

Sec. 1. R. S., c. 14, §§ 244-270, additional. Chapter 14 of the revised statutes is hereby amended by adding at the end thereof the following sections to be numbered 244 to 270, inclusive, to read as follows:

'Miscellaneous Taxes

Admission Tax

Sec. 244. Tax on admissions. A tax is hereby imposed at the rate of 5% of the amount paid for admission, exclusive of federal taxes, to any place, including admission by season ticket or subscription.

Luggage

Sec. 245. Tax on luggage. There is hereby imposed upon the following articles, including in each case fittings or accessories therefor sold on or in connection with the sale thereof, sold at retail, a tax equivalent to 5% of the price for which so sold, exclusive of federal taxes:

I. Trunks, valises, traveling bags, suitcases, satchels, overnight bags, hat boxes for use by travelers, beach bags, bathing suit bags, brief cases

made of leather or imitation leather, and salesmen's sample and display cases;

II. Purses, handbags, pocketbooks, wallets, billfolds and card, pass and key cases; and

III. Toilet cases and other cases, bags and kits, without regard to size, shape, construction or material from which made, for use in carrying toilet articles or articles of wearing apparel.

Jewelry

Sec. 246. Tax on jewelry. There is hereby imposed upon the following articles sold at retail, a tax equivalent to 5% of the price for which so sold, exclusive of federal taxes:

I. All articles commonly or commercially known as jewelry, whether real or imitation;

II. Pearls, precious and semiprecious stones and imitations thereof;

III. Watches and clocks and cases and movements therefor, excepting watches selling at retail for not more than $65 and alarm clocks selling at retail for not more than $5, which are taxable at 2½% of the price for which sold;

IV. Articles made of, or ornamented, mounted or fitted with precious metals or imitations thereof;

V. Gold, gold-plated, silver or sterling flatware or hollow ware and silver-plated hollow ware; and

VI. Opera glasses, lorgnettes, marine glasses, field glasses and binoculars.

The tax imposed by this section shall not apply to any article used for religious purposes, to surgical instruments, to watches designed especially for use by the blind, to frames or mountings for spectacles or eyeglasses, to a fountain pen or smoker's pipe if the only parts of the pen or pipe which consist of precious metals are essential parts not used for ornamental purposes, or to buttons, insignia, cap devices, chin straps and other devices prescribed for use in connection with the uniforms of the armed forces of the United States.

Furs

Sec. 247. Tax on furs. There is hereby imposed upon the following articles sold at retail, a tax equivalent to 5% of the price for which sold, exclusive of federal taxes:

I. Articles made of fur on the hide or pelt, and articles of which such fur is the component material of chief value.

Where a person, who is engaged in the business of dressing or dyeing fur skins or of manufacturing, selling or repairing fur articles, produces an article of the kind described in this section from fur on the hide or pelt, furnished directly or indirectly by a customer, and the article is for the use of, and not for resale by, such customer, the transaction shall be deemed to be a sale at retail and the person producing the article shall be deemed to be the person selling such article at retail for purposes of this section. The tax on such transaction shall be computed and paid by such person upon the fair retail market value, as determined by the state tax assessor, of the finished article.

Toilet Preparations

Sec. 248. Tax on toilet preparations. There is hereby imposed upon the following articles sold at retail a tax equivalent to 5% of the price for which sold, exclusive of federal taxes: Perfumes, essences, extracts, toilet waters, cosmetics, petroleum jellies, hair oils, pomades, hair dressings, hair restoratives, hair dyes, aromatic cachous, toilet powders and any similar substance, article or preparation, by whatever name known or distinguished; any of the above which are used or applied or intended to be used or applied for toilet purposes.

Beauty Parlors. For the purposes of this section, the sale of any articles described herein to any person operating a barber shop, beauty parlor or similar establishment for use in the operation thereof and not for resale, shall be considered a sale at retail.

Administrative Provisions

Sec. 249. Definition. Whenever used in sections 244 to 257, inclusive, unless the context shall otherwise require, the word "person" shall mean any individual, firm, fiduciary, partnership, corporation, trust or association, however formed.

Sec. 250. Addition of tax. The taxes imposed by the provisions of sections 244 to 257, inclusive, may be added to the price of the admissions charged or the articles sold.

Sec. 251. Returns and payment of tax. Every person who owns, maintains or operates a place, admission to which is taxable under the provisions of section 244, and every person who sells at retail any article taxable under the provisions of sections 245 to 257, inclusive, shall make

monthly returns. All taxes are due and payable without assessment or notice by the state tax assessor. The return, with remittance covering taxes due for any calendar month, must be in the hands of the state tax assessor on or before the last day of the succeeding month; provided, however, that the state tax assessor shall have the authority to require immediate filing of a return and payment of a tax when such action in his discretion becomes necessary. The state tax assessor shall pay over all receipts from such taxes to the treasurer of state daily.

Sec. 252. Credits and refunds.

I. Credits against the taxes imposed by the provisions of sections 245 to 257, inclusive, or a refund may be allowed with respect to an article, when the price on which the tax was based is readjusted by reason of return or repossession of the article, or by a bona fide discount, rebate or allowance, in the amount of that part of tax proportionate to the part of the price which is refunded or credited. No overpayment of tax shall be credited or refunded unless the person who paid the tax establishes, in accordance with regulations:

A. That he has not included the tax in the price of the article with respect to which it was imposed, or collected the amount of tax from the purchaser, or

B. That he has repaid the amount of tax to the purchaser of the article or unless he files with the state tax assessor written consent of such purchaser to the allowance of the credit or refund.

A claim for a refund may be filed in any case where a credit may be taken. In all cases where a credit is taken, a statement fully explaining the reason why such credit is claimed must be attached to the return. This statement should also show whether any previous claim for credit or refund covering the amount involved, or any part thereof, has been filed; and should list each amount making up the total of the credit, the kind of tax, monthly return on which reported, date of payment, and, if the tax was paid with respect to more than 1 month, the exact amount of the credit chargeable to each month. A complete and detailed record of all credits must be kept by the taxpayer for a period of at least 4 years from the date the credit was taken.

II. If any person overpays or overcollects the tax due under the provisions of section 244 with one monthly return, credit for the overpayment or overcollection may be taken against the tax due with a succeeding return. In case a credit is claimed, a statement shall be attached

to the return setting forth fully the facts regarding the alleged overpayment or overcollection and designating the kind of tax, the month for which the previous return was filed, and the date of payment. In the case of the overcollection of a tax, no credit for the amount overcollected shall be allowed until the person making the overcollection submits a statement showing that the tax in each case so overcollected has been returned to the person making the overpayment. A complete and detailed record of such overpayment must be kept by the taxpayer for a period of at least 4 years from the date the credit is taken. Any amount deducted as a credit must be entered on the face of the return after the words: "Less credits . . ." A claim for refund may be filed in any case where a credit may be taken.

Sec. 253. Records. Every person required by sections 244 to 257, inclusive, to file a return and pay tax on the retail sale of luggage, jewelry, furs or toilet preparations or tax on admission, shall keep on file at his principal place of business or some other convenient or safe location accurate records and accounts of all transactions. The records shall contain sufficient information to enable the state tax assessor or his duly authorized agent to determine whether the correct amount of tax has been paid. Such records shall be maintained for a period of at least 4 years from the date the tax is due. The books of every person liable to tax shall at all times be open for inspection by the state tax assessor or his duly authorized agent.

Sec. 254. Rules and regulations. The state tax assessor is hereby authorized to issue whatever rules and regulations he deems necessary to carry out the provisions of sections 244 to 257, inclusive.

Sec. 255. Penalties and interest.

I. Any person required to file a return under the provisions of sections 244 to 257, inclusive, and fails to file on time, shall be subject to an additional 5% of the tax if the failure is for not more than 30 days, with an additional 5% for each additional 30 days or fraction thereof during which the delinquency continues, to be recovered by an action of debt in the name of the state.

II. Any person who wilfully fails to pay any tax due, file return or keep records, or who attempts in any manner to evade or defeat the tax under the provisions of sections 244 to 257, inclusive, shall be punished by a fine of not less than $100, nor more than $500, for each offence, to be recovered by indictment to the use of the state, or imprison-

ment for not more than 11 months, or by both such fine and imprisonment.

III. Any person who wilfully files a false or fraudulent return under the provisions of sections 244 to 257, inclusive, shall be punished by a fine of not less than $100, nor more than $500, for each offence, to be recovered by indictment to the use of the state, or imprisonment for not more than 11 months, or by both such fine and imprisonment.

Sec. 256. Proceeds of tax. The revenue derived from the taxes imposed by the provisions of sections 244 to 257, inclusive, shall be credited to the general fund of the state.

Coin-Operated Amusement Devices

Sec. 257. Purpose of §§ 257-266. The provisions of sections 257 to 266, inclusive, shall be cited as the "Maine Coin-Operated Amusement Device Control Law," and it shall be deemed an exercise of the police power of the state, for the protection of the welfare of the people of the state, and all of its provisions shall be liberally construed for the accomplishment of that purpose. And it is declared to be the public policy that the ownership and operation of such coin-operated amusement devices is so affected with the public interest that they shall be regulated as is hereinafter provided for in sections 257 to 266, inclusive.

Sec. 258. Definition of terms. Unless the context otherwise requires:

I. A "coin-operated amusement device" is a machine or device into which may be inserted any piece of money or other object and from which as a result of such insertion and the application of physical or mechanical force may issue wholly upon any chance or uncertain or contingent event, any piece or pieces of money, or any check, memorandum, or other tangible evidence calling for money or property, or which check, memorandum or other tangible evidence is, after issuance, actually redeemed in money or exchanged for money or property by any person whatsoever; which device is defined as and hereby declared to be gaming but not a lottery.

II. A "club" is any corporation of unincorporated association operated solely for fraternal, benevolent, educational, ex-servicemen's, labor organizations', athletic or social purposes, and not for pecuniary gain or profit, and membership in which does not entitle any person to any interest in the assets of such corporation or association. It is expressly provided that any such corporation or unincorporated association having a letter or certificate of exemption from federal income taxes under

Internal Revenue Code section 101, subsections (3), (6), (7), (8) and (9) shall be conclusively deemed to be such club.

III. A "charitable donation" is a gift made by such club to a municipal or quasi-municipal corporation for a social welfare purpose, or to a corporation, association, society, committee, fund or foundation, not licensed under the provisions of sections 257 to 266, inclusive, organized and operating exclusively for the establishment of memorials for, or for the social welfare of men and women who have heretofore served, are now serving or who may hereafter serve in or in connection with the armed forces of the United States, or to assist in or maintain and improve the health of the people, or for religious, charitable, scientific, public welfare, athletic or educational purposes; provided, however, that no part of the net earnings of such corporations, associations, societies, committees, funds or foundations inures to the profit of any shareholder or member.

Sec. 259. Coin-operated amusement devices in clubs. It shall be unlawful for any such club to own, conduct or operate any such coin-operated amusement devices unless it shall apply for and receive a license and pay the license fees in sections 257 to 266, inclusive, prescribed, and file with the state tax assessor evidence of actual ownership of such devices and a brief description of the type and serial number, if any, of each such device, and furnish to the state tax assessor like information concerning any other or additional devices thereafter acquired or operated by such club, such information to be furnished in the month in which such devices are acquired.

Sec. 260. License and fees. The state tax assessor is hereby authorized to issue a license to any such club for the operation of such coin-operated amusement devices upon the application therefor by such club on a form to be prescribed by the state tax assessor, and upon the payment of the sum of $100 per year for each such coin-operated amusement device operated by such club. Licenses may be renewed from year to year upon payment of a like sum for each of such coin-operated amusement devices each year; provided, however, that before the license of any club can be renewed, such club shall submit to the state tax assessor a receipt, or receipts, evidencing the fact that during the year immediately preceding, it made a charitable donation or charitable donations as defined in section 258, in the aggregate amount equal to 2½ times the amount of license fees paid to the state tax assessor by such club on account of coin-operated amusement devices operated by it during such preceding year.

Sec. 261. Payment of license; due date. All licenses shall become due on the 1st day of July of each year or on commencing of business of such club; in the former case, the tax shall be computed for 1 year; in the latter case, it shall be computed proportionately on the 1st day of the month in which liability for license is commenced, to and including the 30th day of June following. By commencing business is meant the month of initial application for license, and as to devices subsequently operated by any licensed club, the month of initial maintenance for use on the club's premises of such device.

Sec. 262. Municipal licenses permitted. The city, town or plantation in which such club is situated, or if situated outside of city, town or plantation, then the county commissioners of such, may impose a license fee upon such club in an amount not to exceed the sum of $50 per year for each of such coin-operated amusement devices operated by such club and other or additional license or fees for such devices by such city, town or plantation are hereby prohibited.

Sec. 263. Revocation of licenses. The state tax assessor is hereby authorized to suspend any license issued to any club for a period not exceeding 6 months, or to revoke the same, for the violation by any such club of any provision of sections 257 to 266, inclusive, upon hearing before the state tax assessor, held in any place in the county in which such club has its place of business, upon 20 days' notice to such club setting forth the alleged cause of violation and the time and place of hearing.

Sec. 264. State tax assessor, enforcement; rules and regulations. The state tax assessor shall, with the approval of the governor, prescribe and publish all needful rules and regulations for the enforcement of sections 257 to 266, inclusive.

Sec. 265. Payment of licenses into general fund. All license fees collected by the state tax assessor under the provisions of sections 257 to 266, inclusive, shall be paid by said state tax assessor to the treasurer of state, and shall become a part of the general fund of the state.

Sec. 266. Sections 257-266 superior to all laws in conflict. Wherever any provisions of the existing laws of the state are in conflict with the provisions of sections 257 to 266, inclusive, the provisions of said sections shall control and supersede all such existing laws.

Soft Drinks

Sec. 267. Soft drink tax. Every person, firm or corporation doing domestic or intrastate business within this state and engaging in the busi-

ness of selling, manufacturing, purchasing, consigning, using, shipping, or distributing, for the purpose of sale within this state, any of the following articles, or things, viz.: soda water, ginger ale, coca-cola, lime-cola, pepsi-cola, fruit juices, bottled drinks of every kind whatsoever, and all fountain drinks and other beverages and things commonly designated as "soft drinks," for the privilege of carrying on such business shall be subject to the payment of a license tax, which tax shall be measured by and graduated in accordance with the sales of such person, firm or corporation within the state except as may hereinafter be provided, as follows:

I. Soda fountains. The payment of the license taxes hereinabove provided for, shall be evidenced by the affixing of Maine soft drinks license tax stamps to the original containers in which all syrups are received, stored, shipped or handled, at the following rate, to wit: For each gallon of syrups, there shall be affixed to said original container soft drinks license tax stamps of the value of 76c for each and every gallon in said containers. For the purpose of this section and sections 268 and 269, the words "syrup or syrups" shall be defined as being the compound mixture or basic ingredients used in the making, mixing or compounding of soft drinks at soda fountains by the mixing with same of water, ice, fruits, milk and/or any other product suitable to make a complete soft drink, among such syrups being such products as coca-cola syrup, chero-cola syrup, lemon syrup, vanilla syrup, chocolate syrup, rock candy syrup, simple syrup, nugrape syrup, cherry smash syrup and/or all prepared syrups sold for the purpose of mixing soft drinks at soda fountains.

Simple syrup defined. In the event any simple syrup is made, mixed, compounded or manufactured within this state by retailers of soft drinks, by dissolving sugar and water or any other mixture that will create simple syrup, or in the event any syrup or syrups are made by retailers of soft drinks by adding concentrates or extracts to mixtures made of sugar and water, commonly referred to as "simple syrup," for use of soda fountains, then, and in such event, the mixer, maker, manufacturer or compounder of said syrups, shall place and keep the same in containers, until said syrups are needed at the fountain for the purpose of mixing drinks; and the containers of all such syrups so manufactured, shall be stamped by the retailer of soft drinks with soft drinks license tax stamps to the value of 76c per gallon, for each gallon of syrup in said container.

Stamps affixed by retailers; duplicate invoice required. The soft drinks license tax stamps above provided shall be affixed to each individual

container of said syrups by wholesalers, manufacturers, jobbers or distributors within 72 hours after such syrups are received by them, or retailers within 24 hours after such syrups are received by them; provided that the containers of all syrups must be stamped before any of said syrups are used in the making of soft drinks; provided, however, that all retail dealers in soft drinks, purchasing or receiving syrups from without the state, whether the same shall have been ordered through a wholesaler or jobber within the state, and/or by drop shipment, and/or otherwise, shall within 5 days after receipt of same, mail a duplicate invoice of all such purchases, or receipts, to the state tax assessor. Failure to furnish such duplicate invoice as required shall be deemed a misdemeanor, and, upon conviction, shall be punished by a fine of not less than $20, nor more than $100, or by imprisonment for not more than 30 days for each offense.

It is the intent and purpose of this section to require all manufacturers within this state, wholesale dealers, jobbers, distributors and retail dealers to affix the stamps provided for in this section to all containers in which syrups are normally received, sold or handled, but when the stamps have been affixed as required herein by either wholesaler, manufacturer, jobber, distributor or retailer, no further or other stamps shall be required under the provisions of this section and sections 268 and 269, regardless of how often such syrups may be sold or resold within this state.

Syrups taxable. The provisions of this section, with reference to the stamping of syrups, shall apply only to syrups used at soda fountains and not to syrups used by bottlers in the manufacture of bottled soft drinks; provided that the state tax assessor may promulgate rules and regulations to permit syrup which is to be used for purposes other than making soft drinks to be stored in places where soft drinks are sold at retail. The state tax assessor is hereby authorized, empowered and directed to have prepared and distributed stamps suitable for denoting the tax on soft drinks and syrup.

II. Bottled drinks. Any and all soft drinks offered for sale in sealed bottles shall, within 24 hours of the time of its manufacture, or receipt in this state, be stamped with the Maine soft drinks license tax stamps at the rate of 1c for each 5c or fractional part thereof of the retail selling price, by affixing said stamps at said rate to each individual bottle. In the case of bottled drinks shipped into Maine from a point outside of said state, said stamps shall be affixed to said bottled drinks within 24

hours after such bottled drinks come into possession of the person first receiving the same, whether said person be a wholesaler, jobber, distributor, and/or retailer of said products. Provided that all milk drinks produced by farmers or dairies with whole milk and sold in milk bottles shall be exempt from the payment of any soft drink tax now provided by law. The classification created by this proviso is done for the purpose of fostering and encouraging the dairy industry but should this classification be held discriminatory by either the courts of this state or the United States, and for that reason this proviso should be held unconstitutional, then the classification hereunder created and the provisions hereby imposed shall not operate so as to render unconstitutional any classification or provision of the statutory laws of the state of Maine, more commonly known as soft drink tax statutes.

Bottled drinks taxable. Bottled soft drinks as referred to in this section and sections 268 and 269 shall include any and all beverages whether carbonated or not, such as soda water, ginger ale, nugrape, coca-cola, lime-cola, pepsi-cola, budwine, beer, near beer, fruit juice, milk drinks when any flavoring or syrup is added, cider, cordial, bottled carbonated water and/or any and all bottled preparations commonly referred to as soft drinks, of whatsoever kind and description.

III. Discount handle stamps. The state tax assessor is hereby authorized to engage any person, firm or corporation to sell tax stamps and shall allow as compensation for receiving, selling and accounting for such stamps, 3%. In case of sales of soft drinks license stamps, made by the state tax assessor to any merchants (wholesale or retail) or manufacturers, for their individual use, the state tax assessor shall allow the following discount: on a sale of less than $25 no discount shall be allowed; on a sale of $25 or over and less than $50, a discount of 5% on the entire amount of the sale; on a sale of $50 or more, a discount of 10% on the entire amount of the sale.

Stamps or crowns required. It is the intent and purpose of this section to require all manufacturers and dealers in bottled soft drinks to affix either soft drinks license tax stamps or soft drinks license tax crowns to each individual bottle of soft drinks sold or distributed, and when the said stamps or crowns are so affixed they shall be evidence of the payment of the tax provided herein. But when the stamp or crown has been affixed as herein required, no further or other stamp or crown shall be required under the provisions of this section and sections 268 and 269, regardless of how often such bottled drinks are sold or resold within

this state. In the event the manufacturers of bottled drinks either within or without the state of Maine shall use the soft drinks license tax crown as herein provided for; then, and in such event, said manufacturer shall be relieved of the duty of stamping each individual bottle.

IV. Tax Commission to distribute crowns; price of crowns. The state tax assessor is hereby authorized, empowered and directed to promulgate rules and regulations governing the purchase, sale and distribution of crowns, with which to seal said bottled soft drinks within this state. Said crowns shall carry a design approved by the state tax assessor, the use of which crown shall be evidence of the payment of the license taxes provided in this section and sections 268 and 269. Manufacturers and/or distributors of crowns may be required to furnish bond to insure faithful compliance with such regulations, secure license and meet with all requirements as set forth by the state tax assessor. All purchasers of crowns, whether they be bottlers or otherwise, shall be required to purchase crowns in accordance with rules and regulations promulgated by the state tax assessor. The price to be paid by purchasers for crowns shall be the manufacturers' price plus all transportation charges to consignee at destination, and in addition thereto shall be 1c per crown, when to be used upon bottled drinks retailing for 5c each, or less; 2c per crown when to be used upon bottled drinks retailing for more than 5c each but not more than 10c each; 3c per crown when to be used upon bottled drinks retailing for more than 10c each but not more than 15c each, etc., so that the tax will equal 1c for each 5c or fractional part thereof of the retail selling price as the soft drinks license tax herein requires.

Discount on purchase of crowns. In the sale of soft drinks license tax crowns the state tax assessor shall allow the following discounts: on the sale of less than 25 gross crowns, no discount shall be allowed; on the sale of 25 gross crowns, or over, and less than 50 gross crowns, a discount of 5% shall be allowed on the entire amount; on the sale of 50 gross crowns or over a discount of 10% shall be allowed on the entire amount; provided that the discount applies only to the tax and not the manufacturers' price or transportation cost.

Consign stamps or crowns if bond furnished. The state tax assessor may consign soft drinks license tax stamps, or soft drinks license tax crown to manufacturers, wholesalers and jobbers, allowing the same discount as when sold for cash, if and when, such manufacturers, wholesaler or jobber shall give to the state tax assessor a good and suf-

ficient bond, executed by some surety company, authorized to do business in this state, conditioned to secure the payment for the stamps, or crowns, so consigned, when and as they are used by such wholesaler, jobber or manufacturer, and to require monthly, or such other periodic accounting and settlement periods for the use of said stamps or crowns as the state tax assessor may require.

Sec. 268. Tax levied on drinks not made with syrup; method of collection. There shall be levied, assessed and collected a license tax of 1c for each 5c or fractional part thereof, of the retail selling price upon all soft drinks manufactured or sold within this state, which drinks are manufactured without the use of any syrup on which the tax has been previously paid. Such tax to be collected in accordance with the rules and regulations promulgated by the state tax assessor; provided that when it is impractical to use stamps and crowns, the state tax assessor may dispense with the use of stamps or crowns and may require the seller of soft drinks to make a return in such form and manner as the state tax assessor may require and pay the tax thereon immediately, or the state tax assessor may in his discretion extend the time of payment of the tax provided in this section.

Sec. 269. Penalties for fraud in use or re-use of stamps or crowns. Whoever removes, washes, restores, alters or otherwise prepares any adhesive stamps, or crowns, with intent to use, or cause the same to be used, after it has already been used; or knowingly or wilfully buys, sells, offers for sale or gives away any such washed, restored or altered stamp, or crown, to any person; or knowingly uses the same or has in his or its possession, any washed, restored or altered stamps or crowns which have been removed from the articles to which they have been previously affixed; or whoever, for the purpose of indicating the payment of any tax hereunder, refuses any stamp or crown that has heretofore been used for the purpose of denoting the tax provided in this section and sections 267 and 268; or whoever prepares, buys, sells, offers for sale or has in his or its possession any counterfeit stamps, or crowns, is guilty of a misdemeanor, and upon conviction, shall be punished by a fine of not more than $1,000, or by imprisonment for not more than 11 months, or by both such fine and imprisonment.

Sec. 270. Rules and regulations. The state tax assessor is hereby authorized to promulgate whatever rules and regulations are necessary to carry out the provisions of sections 267 to 269, inclusive.'

Sec. 2. R. S., c. 57, § 12, amended. Section 12 of chapter 57 of the revised statutes is hereby amended to read as follows:

'**Sec. 12. Consumers tax on spirituous and vinous liquor.** All spirits and wines shall hereafter be sold by the commission at a price to be determined by the commission which will produce a state liquor tax of not less than ~~61%~~ 64% based on the less carload cost f. o. b., state liquor commission warehouse, excepting only that spirits and wines sold at wholesale under the provisions of section 41 may be sold at wholesale prices established pursuant to the provisions thereof. Any increased federal taxes levied on or after April 1, 1941 shall be added to the established price without mark-up. All net revenue derived from such tax shall be deposited to the credit of the general fund of the state.'

Sec. 3. Effective date. The provisions of this act shall become effective on September 1, 1947.