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VETERANS AND LEGAL AFFAIRS

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**STATE OF MAINE
SENATE
130TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to S.P. 133, L.D. 307, “An Act To Expand the Market for Maine Liquor Manufacturers”

Amend the bill by inserting after section 2 the following:

Sec. 3. 28-A MRSA §1651, sub-§1, as amended by PL 2019, c. 404, §29, is further amended to read:

1. State spirits tax. Except as provided in section 83-C, subsection 2-A and section 606, the commission shall determine and set the retail price at which ~~to sell~~ all spirits ~~to agency liquor stores that will~~ products may be sold in the State for off-premises consumption. The retail price established by the commission must produce sufficient revenue to pay all spirits-related expenses of the bureau and to return to the Liquor Operation Revenue Fund established in Title 30-A, section 6054 and the General Fund an amount substantially equal to the amount of state spirits tax collected in the previous fiscal year.

C. The bureau shall charge agency liquor stores the refund value pursuant to Title 38, section 3103 in addition to the wholesale price for each product purchased.

Sec. 4. 28-A MRSA §1651, sub-§3, ¶C, as enacted by PL 1987, c. 45, Pt. A, §4, is amended to read:

C. To industrial establishments for use as an ingredient in the manufacture of food products; ~~or~~

Sec. 5. 28-A MRSA §1651, sub-§3, ¶D, as enacted by PL 1987, c. 45, Pt. A, §4, is amended to read:

D. For use as an ingredient in the manufacture of commodities which by reason of their nature cannot be used for beverage purposes; ~~or~~

Sec. 6. 28-A MRSA §1651, sub-§3, ¶E is enacted to read:

COMMITTEE AMENDMENT

1 E. To a person located outside of the State, including but not limited to sales of spirits
2 to an out-of-state distributor for resale in another state and sales of spirits directly to a
3 consumer located in another state under section 1357.

4 **Sec. 7. 28-A MRSA §1652, sub-§1**, as amended by PL 2013, c. 368, Pt. XXXX,
5 §8 and affected by §13, is further amended to read:

6 **1. Excise tax on malt liquor.** An excise tax is imposed on the privilege of
7 manufacturing and selling malt liquor in the State. ~~The Maine~~ Except as provided in
8 subsection 2-A, the in-state manufacturer or importing wholesale licensee shall pay an
9 excise tax of 35¢ per gallon on all malt liquor ~~sold~~ manufactured in or imported into the
10 State.

11 **Sec. 8. 28-A MRSA §1652, sub-§1-A**, as amended by PL 2013, c. 368, Pt. XXXX,
12 §8 and affected by §13, is further amended to read:

13 **1-A. Excise tax on low-alcohol spirits products and fortified wines.** An excise tax
14 is imposed on the privilege of manufacturing and selling low-alcohol spirits products and
15 fortified wines in the State. ~~The Maine~~ Except as provided in subsection 2-A, the in-state
16 manufacturer or importing wholesale licensee shall pay an excise tax of \$1.24 per gallon
17 on all low-alcohol spirits products and fortified wines manufactured in or imported into the
18 State.

19 **Sec. 9. 28-A MRSA §1652, sub-§2**, as amended by PL 2013, c. 368, Pt. XXXX,
20 §8 and affected by §13, is further amended to read:

21 **2. Excise tax on wine; hard cider.** An excise tax is imposed on the privilege of
22 manufacturing and selling wine in the State. ~~The Maine~~ Except as provided in subsection
23 2-A, the in-state manufacturer or importing wholesale licensee shall pay an excise tax of
24 60¢ per gallon on all wine other than sparkling wine, fortified wine or hard cider
25 manufactured in or imported into the State, \$1.24 per gallon on all sparkling wine
26 manufactured in or imported into the State and 35¢ per gallon on all hard cider
27 manufactured in or imported into the State.

28 **Sec. 10. 28-A MRSA §1652, sub-§2-A**, as amended by PL 2011, c. 147, §3, is
29 further amended to read:

30 **2-A. ~~Payment~~ Excise tax due; exemption.** On the 15th day of each month, every
31 brewery and winery shall pay the excise taxes ~~and premium~~ due on malt liquor ~~and~~ wine
32 and low-alcohol spirits products that that brewery or winery removed from areas required
33 to be bonded by the Federal Government. Malt liquor, wine or low-alcohol spirits products
34 that a brewery or winery removes from areas required to be bonded by the Federal
35 Government for sale to an out-of-state wholesaler for resale in another state or for sale
36 under section 1357 directly to a consumer located in another state are exempt from excise
37 tax under this section.'

38 Amend the bill by striking out all of the emergency clause and inserting the following:

39 '**Emergency clause.** In view of the emergency cited in the preamble, this legislation
40 takes effect April 1, 2021.'

41 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
42 number to read consecutively.

SUMMARY

This amendment makes the following changes to the bill.

1. It clarifies that, as is current practice, spirits produced by an in-state manufacturer and sold to an out-of-state distributor for resale in another state are exempt from Maine's consumers' tax, and wine, malt liquor or low-alcohol spirits products produced by an in-state manufacturer and sold to an out-of-state wholesaler for resale in another state are exempt from excise tax under Maine law. It also makes technical changes to the laws governing these taxes to remove internal inconsistencies and ambiguities.

2. It provides that spirits produced by an in-state manufacturer and sold directly to a consumer in another state under the provisions of the bill are exempt from Maine's consumers' tax, and wine, malt liquor or low-alcohol spirits products produced by an in-state manufacturer and sold directly to a consumer in another state under the provisions of the bill are exempt from excise tax under Maine law.

3. It provides that the legislation is effective April 1, 2021.