



128th MAINE LEGISLATURE

LD 794

LR 1674(01)

An Act Regarding the Taxation of Flavored Malt Beverages

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Rep. Guerin of Glenburn

Committee: Veterans and Legal Affairs

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

	FY 2017-18	FY 2018-19	Projections FY 2019-20	Projections FY 2020-21
Net Cost (Savings)				
General Fund	\$892,500	\$1,190,000	\$1,190,000	\$1,190,000
Revenue				
General Fund	(\$892,500)	(\$1,190,000)	(\$1,190,000)	(\$1,190,000)

Fiscal Detail and Notes

Under current statute low-alcohol spirits products are taxed at \$1.24 per gallon and malt beverages and wine are taxed at \$0.35 per gallon. This bill clarifies that the addition of high-alcohol content food flavorings or similar products that are used solely to impart flavor during the production process does not cause these products to be taxed at the higher rate. The State has been taxing these products at the higher \$1.24 per gallon rate and will now tax them at the lower \$0.35 per gallon rate. This change will reduce General Fund revenue collected by the Bureau of Alcoholic Beverages and Lottery Operations by an estimated \$892,500 in fiscal year 2017-18 and \$1,190,000 in fiscal year 2018-19.