



128th MAINE LEGISLATURE

LD 794

LR 1674(02)

An Act Regarding the Taxation of Flavored Malt Beverages

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Veterans and Legal Affairs

Fiscal Note Required: Yes

Fiscal Note

	FY 2017-18	FY 2018-19	Projections FY 2019-20	Projections FY 2020-21
Net Cost (Savings)				
General Fund	\$0	\$0	\$1,686,475	\$1,686,475
Revenue				
General Fund	\$0	\$0	(\$1,686,475)	(\$1,686,475)

Fiscal Detail and Notes

Under current statute, manufacturers of low-alcohol spirits products are taxed at a rate of \$1.24 per gallon and in-state manufacturers of low-alcohol spirits products are taxed an additional rate of \$0.30 per gallon for a combined tax rate of \$1.54 per gallon. This bill clarifies that food flavorings or similar products with an alcohol content that are added to malt liquor products solely to impart flavor during the production process do not cause these products to be classified as low-alcohol spirits products. The State has been taxing these products at the higher combined rate of \$1.54 per gallon and will now tax them at the lower \$0.35 per gallon rate applied to malt liquor products. This will reduce General Fund revenue collected by the Bureau of Alcoholic Beverages and Lottery Operations by an estimated \$1,686,475 starting in fiscal year 2019-20.