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

Reference to the Committee on Taxation suggested and ordered printed.

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

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

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

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

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

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

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

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

§1811. Sales tax

A tax is imposed on the value of all tangible personal property, products transferred electronically and taxable services sold at retail in this State. The rate of tax is 7% on the value of liquor sold in licensed establishments as defined in Title 28-A, section 2, subsection 15, in accordance with Title 28-A, chapter 43; 7% on the value of rental of living quarters in any hotel, rooming house or tourist or trailer camp; 10% on the value of rental for a period of less than one year of an automobile, of a pickup truck or van with a gross vehicle weight of less than 26,000 pounds rented from a person primarily engaged in the business of renting automobiles or of a loaner vehicle that is provided other than to a motor vehicle dealer's service customers pursuant to a manufacturer's or dealer's warranty; 7% on the value of prepared food; and 5% on the value of all other tangible personal property and taxable services and products transferred electronically. Notwithstanding the other provisions of this section, from October 1, 2013 to December 31, 2015, the rate of tax is 8% on the value of rental of living quarters in any hotel, rooming house or tourist or trailer camp; 8% on the value of prepared food; 8% on the
value of liquor sold in licensed establishments as defined in Title 28-A, section 2, subsection 15, in accordance with Title 28-A, chapter 43; and 5.5% on the value of all other tangible personal property and taxable services and products transferred electronically. Notwithstanding the other provisions of this section, beginning January 1, 2016, the rate of tax is 9% on the value of rental of living quarters in any hotel, rooming house or tourist or trailer camp; 8% on the value of prepared food; 8% 10% on the value of liquor sold in licensed establishments as defined in Title 28-A, section 2, subsection 15, in accordance with Title 28-A, chapter 43; and 5.5% on the value of all other tangible personal property and taxable services and products transferred electronically. Notwithstanding the other provisions of this section, beginning on the first day of the calendar month in which adult use marijuana and adult use marijuana products may be sold in the State by a marijuana establishment licensed to conduct retail sales pursuant to Title 28-B, chapter 1, the rate of tax is 10% on the value of adult use marijuana and adult use marijuana products. Value is measured by the sale price, except as otherwise provided. The value of rental for a period of less than one year of an automobile or of a pickup truck or van with a gross vehicle weight of less than 26,000 pounds rented from a person primarily engaged in the business of renting automobiles is the total rental charged to the lessee and includes, but is not limited to, maintenance and service contracts, drop-off or pick-up fees, airport surcharges, mileage fees and any separately itemized charges on the rental agreement to recover the owner's estimated costs of the charges imposed by government authority for title fees, inspection fees, local excise tax and agent fees on all vehicles in its rental fleet registered in the State. All fees must be disclosed when an estimated quote is provided to the lessee.

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

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

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

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

**SUMMARY**

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