1	L.D. 794
2	Date: (Filing No. H-)
3	VETERANS AND LEGAL AFFAIRS
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5	STATE OF MAINE
6	HOUSE OF REPRESENTATIVES
7	128TH LEGISLATURE
8	FIRST REGULAR SESSION
9 10	COMMITTEE AMENDMENT " " to H.P. 574, L.D. 794, Bill, "An Act Regarding the Taxation of Flavored Malt Beverages"
11 12	Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:
13 14	'Sec. 1. 28-A MRSA §2, sub-§16-A, as amended by PL 2011, c. 629, §4, is further amended to read:
15 16 17 18	16-A. Low-alcohol spirits product. "Low-alcohol spirits product" means a product containing spirits that has an alcohol content of 8% or less by volume. Beginning July 1, 2019, "low-alcohol spirits product" does not mean a flavoring, such as an extract or concentrate, added to a malt beverage or wine that:
19	A. May or may not contain alcohol;
20 21	B. Is not intended to be consumed alone as a beverage or a food product but serves as a flavor enhancement to a beverage or a food product; and
22 23	C. Is not, prior to being added to a malt beverage or wine, subject to excise tax under chapter 65.
24 25	Sec. 2. 28-A MRSA §2, sub-§31, as amended by PL 1999, c. 535, §2, is further amended to read:
26 27 28 29 30	31. Spirits. "Spirits" means any liquor produced by distillation or, if produced by any other process, strengthened or fortified by the addition of distilled spirits of any kind. "Spirits" does not include low-alcohol spirits products or fortified wine. Beginning July 1, 2019, "spirits" does not mean an additive or flavoring, such as an extract or concentrate, that:
31	A. Contains alcohol;
32 33	B. Is not intended to be consumed alone as a beverage or a food product but serves as a flavor enhancement to a beverage or a food product; and
21	C. Is not subject to avoise tay under chapter 65

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I	Sec. 3. Classification of certain malt-based or wine-based products for
2	tax purposes; intent. The Department of Administrative and Financial Services,
3	Bureau of Alcoholic Beverages and Lottery Operations may not impose the tax described
4 5	under the Maine Revised Statutes, Title 28-A, section 1652, subsection 1-A or the tax
5 6	described under Title 28-A, section 1365 on any malt liquor-based or wine-based product not previously listed by the bureau as of June 1, 2017 or subject to a tax under Title 28-A,
7	section 1652, subsection 1-A or section 1365 based on the fact that a flavoring, extract or
8	concentrate has been added to the product that:
9	1. May or may not contain alcohol;
10 11	2. Is not intended to be consumed alone as a beverage or a food product but serves as a flavor enhancement to a beverage or a food product; and
12	3. Is not, prior to being added to a malt beverage or wine, subject to excise tax under
13	chapter 65.
14	This section is not intended to affect the application of the tax described under Title 28-A,
15	section 1652, subsection 1-A or the tax described under Title 28-A, section 1365 to any
16	malt liquor-based or wine-based product described in this section that was listed with the
17	bureau prior to June 1, 2017.'
18	SUMMARY
19	This amendment replaces the bill. The amendment clarifies the definition of
20	"low-alcohol spirits product" and the definition of "spirits" to exclude additives and
21	flavorings, such as extracts and concentrates, that may contain alcohol but are not
22	intended to be consumed alone but serve as a flavor enhancement to food products or
23 24	beverages. This amendment also specifies that the changes made by this legislation are not intended to affect the taxation of such products prior to July 1, 2019.
25	FISCAL NOTE REQUIRED
26	(See attached)