

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 281 (Senator Ready, *et al.*)

Education, Health, and Environmental Affairs

Economic Matters

Alcoholic Beverages - Definition of Beer - Hard Cider

This bill increases, from 7% to 8.5%, the maximum alcohol by volume that hard cider may have in order to be included within the Alcoholic Beverages Article's definition of "beer."

The bill takes effect July 1, 2017.

Fiscal Summary

State Effect: The bill does not materially affect State operations or finances.

Local Effect: The bill does not directly affect local governmental operations or finances.

Small Business Effect: None.

Analysis

Current Law: "Hard cider" is a beverage derived primarily from apples, apple concentrate and water, pears, or pear concentrate and water. Hard cider can contain no other fruit product but must contain at least 0.5% and less than 7% of alcohol by volume.

Hard cider is taxed as beer. The sales tax on alcoholic beverages is 9%, and the alcoholic beverages tax on beer is \$0.09 per gallon. Revenues from these taxes are deposited into the general fund.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Comptroller's Office; Department of Legislative Services

Fiscal Note History: First Reader - February 22, 2017
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