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By: **Delegate Hammen**

Introduced and read first time: January 20, 1999

Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Alcoholic Beverage Tax - Out-of-State Wine - Exemption**

3 FOR the purpose of creating an exemption from the alcoholic beverage tax for wine  
4 brought or shipped into the State by a consumer for personal use under certain  
5 circumstances; and generally relating to the alcoholic beverage tax.

6 BY repealing and reenacting, with amendments,  
7 Article - Tax - General  
8 Section 5-104  
9 Annotated Code of Maryland  
10 (1997 Replacement Volume and 1998 Supplement)

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
12 MARYLAND, That the Laws of Maryland read as follows:

13 **Article - Tax - General**

14 5-104.

15 (a) (1) The alcoholic beverage tax does not apply to an alcoholic beverage  
16 that is:

17 (i) brought into the State by a person in accordance with:

18 1. an import-export permit under Article 2B, § 2-101(j) of  
19 the Code;

20 2. a nonbeverage permit under Article 2B, § 2-101(c) of the  
21 Code; or

22 3. a nonresident storage permit under Article 2B, § 2-101(p)  
23 of the Code;

24 (ii) sold or delivered by a person who holds a Class E, F, or G  
25 alcoholic beverage license, while the licensee is operating an aircraft, vessel, or train  
26 outside boundaries of the State, including airspace and waterways;

1 (iii) beer or wine that is family-produced and is brought into,  
2 possessed, or transported in the State by an individual who is a member of that family  
3 if:

4 1. the individual is at least 21 years of age; and

5 2. the beer or wine is for personal use or for entry in a  
6 licensed national family beer and wine exhibition; or

7 (iv) brought into the State by a person for storage pending shipment  
8 outside of the State, if the alcoholic beverage:

9 1. is not held for sale, consignment, or delivery in the State;

10 2. is under a customs bond; and

11 3. is stored in a public bonded warehouse.

12 (2) The exemption under paragraph (1)(ii) of this subsection does not  
13 apply to an alcoholic beverage sold or delivered by a person who holds a Class E, F, or  
14 G alcoholic beverage license while the licensee is operating an aircraft, vessel, or train  
15 within the boundaries of the State, including airspace and waterways.

16 (b) (1) The alcoholic beverage tax does not apply to:

17 (i) an alcoholic beverage bought by a person whom a proper  
18 authority of the United States allows to buy alcoholic beverages for sale and use on a  
19 federal reservation in the State where the person is assigned;

20 (ii) wine bought and used for sacramental purposes by a religious  
21 organization affiliated with and recognized by a generally acknowledged religious  
22 faith; or

23 (iii) wine or distilled spirits bought and used for medicinal purposes  
24 by a bona fide hospital.

25 (2) A person under paragraph (1) of this subsection who pays the  
26 alcoholic beverage tax may obtain the exemption by filing a claim for refund with the  
27 Comptroller.

28 (c) [(1)] The alcoholic beverage tax does not apply to:

29 (1) an alcoholic beverage that a consumer at least 21 years of age  
30 brings into the State for personal use IF:

31 (i) [if] the quantity brought from within the continental United  
32 States does not exceed:

33 1. at any one time, one quart;

34 2. in 1 calendar month, two quarts; and

