

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE

House Bill 575 (Delegate Barve. *et al.*)

Economic Matters

Alcoholic Beverages - Sales by Manufacturers and Wholesalers - Discounting

This bill allows a person licensed as a manufacturer or wholesaler to provide a discount to a dispensary, another wholesaler, or a retailer based solely on the percentage or volume of alcoholic beverages purchased. The bill also repeals the authority of the Comptroller's Office to regulate prices and price changes by manufacturers or wholesalers. Current law prohibits a licensed manufacturer or wholesaler from discounting the sale of alcoholic beverages.

Fiscal Summary

State Effect: None. The bill would not directly affect State revenues or expenditures.

Local Effect: None.

Small Business Effect: Potential meaningful impact on small businesses.

Fiscal Analysis

Small Business Effect: Allowing manufacturers or wholesalers to give a discount based on the percentage or volume of alcoholic beverages purchased could have a negative impact on some small businesses and a positive impact on others. Establishments that do not have a high volume of business would not be eligible for discounts from manufacturers or wholesalers. Thus, it would be difficult for these businesses to stay competitive with the prices charged by businesses that do receive a discount. However, businesses which do a high volume of business and receive a discount would benefit by being able to charge lower prices, while increasing their market share.

Information Source(s): Comptroller's Office (Alcohol and Tobacco Tax Unit),
Department of Legislative Services

Fiscal Note History:

First Reader - March 2, 1999

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