
By: **Delegates Marriott, Dobson, Gladden, V. Jones, Kirk, Menes, Morhaim,
Nathan-Pulliam, Owings, Paige, and Phillips**

Introduced and read first time: February 4, 2002

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Alcoholic Beverage Tax - Special Fund for Addiction Treatment and**
3 **Prevention Services**

4 FOR the purpose of altering State tax rates for alcoholic beverages sold in Maryland;
5 altering the distribution of the alcoholic beverage tax revenues for certain fiscal
6 years; requiring the Comptroller to distribute a portion of the alcoholic beverage
7 tax revenues to a special fund to be used only for certain purposes; providing for
8 a delayed effective date; and generally relating to the alcoholic beverage tax and
9 the dedication of certain alcoholic beverage tax revenues for certain purposes for
10 certain fiscal years.

11 BY repealing and reenacting, with amendments,
12 Article - Tax - General
13 Section 2-301 and 5-105(a), (b), and (c)
14 Annotated Code of Maryland
15 (1997 Replacement Volume and 2001 Supplement)

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

18 **Article - Tax - General**

19 2-301.

20 (a) From the alcoholic beverage tax revenue, the Comptroller shall distribute
21 the amount necessary to administer the alcoholic beverage tax laws to an
22 administrative cost account.

23 (b) [After] EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION,
24 AFTER making the distribution required under subsection (a) of this section, the
25 Comptroller shall distribute the remaining alcoholic beverage tax revenue to the
26 General Fund of the State.

1 (C) (1) FOR EACH OF FISCAL YEARS 2004 THROUGH 2008, BEFORE MAKING
2 THE DISTRIBUTION REQUIRED UNDER SUBSECTION (B) OF THIS SECTION, THE
3 COMPTROLLER SHALL DISTRIBUTE TO A SPECIAL FUND 100% OF THE ADDITIONAL
4 ALCOHOLIC BEVERAGE TAX REVENUES RESULTING FROM THE INCREASE IN THE
5 ALCOHOLIC BEVERAGE TAX RATES UNDER CHAPTER _____ OF THE ACTS OF 2002
6 (H.B. _____)(2LR0762), AS DETERMINED BY THE COMPTROLLER.

7 (2) FUNDS DISTRIBUTED TO THE SPECIAL FUND UNDER PARAGRAPH (1)
8 OF THIS SUBSECTION SHALL BE USED ONLY FOR THE PURPOSE OF PROVIDING
9 ADDITIONAL FUNDING FOR FISCAL YEARS 2004 THROUGH 2008 FOR THE ADDICTION
10 TREATMENT AND PREVENTION SERVICES PROGRAM WITHIN THE ALCOHOL AND
11 DRUG ABUSE ADMINISTRATION.

12 (3) MONEYS EXPENDED FROM THE SPECIAL FUND ARE SUPPLEMENTAL
13 AND ARE NOT INTENDED TO TAKE THE PLACE OF FUNDING THAT OTHERWISE
14 WOULD BE APPROPRIATED TO THE ALCOHOL AND DRUG ABUSE ADMINISTRATION
15 FOR ADDICTION TREATMENT AND PREVENTION SERVICES.

16 5-105.

17 (a) Except as provided in subsection (e) of this section, the alcoholic beverage
18 tax rate for distilled spirits is:

19 (1) [~~\$1.50~~] \$3 for each gallon or [~~39.63~~] 79.26 cents for each liter; and

20 (2) if distilled spirits contain a percentage of alcohol greater than 100
21 proof, an additional tax, for each 1 proof over 100 proof, of [~~1.5~~] 3 cents for each
22 gallon or [~~0.3963~~] 0.7926 cents for each liter.

23 (b) Except as provided in subsection (e) of this section, the alcoholic beverage
24 tax rate for wine is [~~40~~] 80 cents for each gallon or [~~10.57~~] 21.14 cents for each liter.

25 (c) Except as provided in subsection (e) of this section, the alcoholic beverage
26 tax rate on beer is [~~9~~] 18 cents for each gallon or [~~2.3778~~] 4.7556 cents for each liter.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 July 1, 2003.