

---

By: **Senator Hafer**

Introduced and read first time: January 30, 2006

Assigned to: Budget and Taxation

---

Committee Report: Favorable

Senate action: Adopted

Read second time: March 13, 2006

---

CHAPTER\_\_\_\_\_

1 AN ACT concerning

2 **Garrett County - Beer Tax - Repeal**

3 FOR the purpose of repealing the county tax on beer sold or delivered in Garrett  
4 County; and generally relating to the repeal of the county tax on beer in Garrett  
5 County.

6 BY repealing and reenacting, with amendments,  
7 Article - Tax - General  
8 Section 5-102 and 5-105  
9 Annotated Code of Maryland  
10 (2004 Replacement Volume and 2005 Supplement)

11 BY repealing  
12 Article - Tax - General  
13 Section 5-304 and 13-1028  
14 Annotated Code of Maryland  
15 (2004 Replacement Volume and 2005 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 5-102.

20 (a) Except as provided in § 5-104 of this subtitle, a tax is imposed on any  
21 alcoholic beverage in the State.

1 (b) A tax is imposed on each person who sells or consigns an alcoholic beverage  
2 in the State from a jurisdiction outside the State, if the Comptroller finds that, in  
3 connection with the solicitation, sale, and distribution of alcoholic beverages, the  
4 jurisdiction:

5 (1) requires a tax, assessment, or charge that is greater for alcoholic  
6 beverages consigned from a Maryland licensee or permit holder than the amount  
7 required for alcoholic beverages consigned from a licensee or permit holder in another  
8 jurisdiction; and

9 (2) discriminates in fact against the licensee or permit holder of the  
10 State.

11 (c) (1) [(i) Except as provided in subparagraph (ii) of this paragraph, a] A  
12 county, municipal corporation, special taxing district, or other political subdivision of  
13 the State may not impose a tax on any alcoholic beverage.

14 [(ii) A tax is imposed on beer sold or delivered in Garrett County in  
15 addition to the tax imposed by the State under subsection (a) of this section.]

16 (2) The Comptroller may not impose the tax under subsection (b) of this  
17 section on a person who has distillery plants in this and another state.

18 5-105.

19 (a) Except as provided in subsection [(e)] (D) of this section, the alcoholic  
20 beverage tax rate for distilled spirits is:

21 (1) \$1.50 for each gallon or 39.63 cents for each liter; and

22 (2) if distilled spirits contain a percentage of alcohol greater than 100  
23 proof, an additional tax, for each 1 proof over 100 proof, of 1.5 cents for each gallon or  
24 0.3963 cents for each liter.

25 (b) Except as provided in subsection [(e)] (D) of this section, the alcoholic  
26 beverage tax rate for wine is 40 cents for each gallon or 10.57 cents for each liter.

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

29 [(d) The Garrett County beer tax rate is, in addition to the rate under  
30 subsection (c) of this section:

31 (1) 2 cents for a beer container of 12 ounces or less or 0.3549 liters or  
32 less;

33 (2) 3 cents for a beer container of more than 12 ounces or 0.3549 liters  
34 but not more than 23 ounces or 0.6802 liters;

35 (3) 4 cents for a beer container of more than 23 ounces or 0.6802 liters  
36 but not more than 31 ounces or 0.9168 liters;

1           (4)       6 cents for a beer container of more than 31 ounces or 0.9168 liters  
2 but not more than 40 ounces or 1.183 liters; and

3           (5)       7 cents for a gallon or fraction of a gallon for a beer container of more  
4 than 40 ounces or 1.183 liters.]

5       [(e)]   (D)       The tax imposed under § 5-102(b) of this subtitle shall equal the  
6 amount that the discriminating jurisdiction charges a Maryland licensee or permit  
7 holder.

8 [5-304.

9       (a)       A person who sells or delivers beer into Garrett County shall pay the  
10 Garrett County beer tax authorized under § 5-102(c)(1)(ii) of this title:

11           (1)       to the county liquor control board before the person sells or delivers  
12 the beer for consumption in the county; and

13           (2)       by a method other than by tax stamps and in the manner that the  
14 county liquor control board requires.

15       (b)       Garrett County shall use the Garrett County beer tax revenue for general  
16 county purposes.]

17 [13-1028.

18       A person who is required to pay the Garrett County beer tax and who willfully  
19 fails to pay the tax as required under § 5-304 of this article is guilty of a misdemeanor  
20 and, on conviction, is subject to a fine not exceeding \$5,000 or imprisonment not  
21 exceeding 1 year or both.]

22       SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
23 July 1, 2006.