

SENATE BILL 422

Q7

71r2180
CF 71r2312

By: **Senators Madaleno, Britt, Jones, and Pinsky**
Introduced and read first time: February 2, 2007
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Alcoholic Beverage Tax – Special Fund for Addiction and Treatment Services**

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

9 BY repealing and reenacting, with amendments,
10 Article – Tax – General
11 Section 2–301 and 5–105
12 Annotated Code of Maryland
13 (2004 Replacement Volume and 2006 Supplement)

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

16 **Article – Tax – General**

17 2–301.

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

5 (c) (1) **BEFORE MAKING THE DISTRIBUTION REQUIRED UNDER**
6 **SUBSECTION (B) OF THIS SECTION, THE COMPTROLLER SHALL DISTRIBUTE**
7 **TO A SPECIAL FUND 100% OF THE ADDITIONAL ALCOHOLIC BEVERAGE**
8 **TAX REVENUES RESULTING FROM THE INCREASE IN THE ALCOHOLIC**
9 **BEVERAGE TAX RATES UNDER CHAPTER _____ OF THE ACTS OF 2007**
10 **(S.B. _____ H.B. _____)(7LR2180), AS DETERMINED BY THE COMPTROLLER.**

11 (2) **FUNDS DISTRIBUTED TO THE SPECIAL FUND UNDER**
12 **PARAGRAPH (1) OF THIS SUBSECTION SHALL BE USED ONLY FOR THE PURPOSE**
13 **OF PROVIDING ADDITIONAL FUNDING FOR ADDICTION TREATMENT AND**
14 **PREVENTION SERVICES WITHIN THE ALCOHOL AND DRUG ABUSE**
15 **ADMINISTRATION.**

16 (3) **MONEYS EXPENDED FROM THE SPECIAL FUND ARE**
17 **SUPPLEMENTAL AND ARE NOT INTENDED TO TAKE THE PLACE OF FUNDING**
18 **THAT OTHERWISE WOULD BE APPROPRIATED TO THE ALCOHOL AND DRUG**
19 **ABUSE ADMINISTRATION FOR ADDICTION AND TREATMENT SERVICES.**

20 5-105.

21 (a) Except as provided in subsection (d) of this section, the alcoholic beverage
22 tax rate for distilled spirits is:

23 (1) [\$1.50] **\$3** for each gallon or [39.63] **79.26** cents for each liter; and

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

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

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

1 (d) The tax imposed under § 5–102(b) of this subtitle shall equal the amount
2 that the discriminating jurisdiction charges a Maryland licensee or permit holder.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 July 1, 2007.