

# HOUSE BILL 1310

Q7

8lr2214

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By: **Delegates Bronrott, Ali, Anderson, Barkley, Barnes, Bobo, Burns, Carr, Carter, Dumais, Feldman, Gaines, Gilchrist, Glenn, Hecht, Holmes, Hucker, Ivey, Kullen, Lee, Mizeur, Montgomery, Nathan-Pulliam, Niemann, Robinson, Rosenberg, Ross, Tarrant, Taylor, V. Turner, Valderrama, and Waldstreicher**

Introduced and read first time: February 8, 2008

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Alcoholic Beverage Tax – Special Fund for Adult and Adolescent Addiction**  
3 **Treatment and 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 revenue; requiring the  
6 Comptroller to distribute a portion of the alcoholic beverage tax revenue to a  
7 special fund to be used only for certain purposes; and generally relating to the  
8 alcoholic beverage tax and the dedication of certain alcoholic beverage tax  
9 revenue for certain purposes for certain fiscal years.

10 BY repealing and reenacting, with amendments,  
11 Article – Tax – General  
12 Section 2–301 and 5–105  
13 Annotated Code of Maryland  
14 (2004 Replacement Volume and 2007 Supplement)

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

17 **Article – Tax – General**

18 2–301.

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

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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 REVENUE RESULTING FROM THE INCREASE IN THE ALCOHOLIC**  
9 **BEVERAGE TAX RATES UNDER CHAPTER \_\_\_\_ OF THE ACTS OF 2008**  
10 **(S.B. \_\_\_\_/H.B. \_\_\_\_)(8LR2796/8LR2214), AS DETERMINED BY THE**  
11 **COMPTROLLER.**

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

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

22 5-105.

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

25 (1) [\$1.50] **\$4.50** for each gallon or [39.63 cents] **\$1.19** for each liter;  
26 and

27 (2) if distilled spirits contain a percentage of alcohol greater than 100  
28 proof, an additional tax, for each 1 proof over 100 proof, of [1.5] **4.5** cents for each  
29 gallon or [0.3963] **1.19** cents for each liter.

30 (b) Except as provided in subsection (d) of this section, the alcoholic beverage  
31 tax rate for wine is [40 cents] **\$1.20** for each gallon or [10.57] **31.71** cents for each  
32 liter.

33 (c) Except as provided in subsection (d) of this section, the alcoholic beverage  
34 tax rate on beer is [9] **27** cents for each gallon or [2.3778] **7.1334** 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, 2008.