

SENATE BILL 562

Q7

8lr2796
CF 8lr2214

By: **Senators Madaleno, Jones, and Pinsky**
Introduced and read first time: February 1, 2008
Assigned to: Budget and Taxation

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.

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (C) (1) BEFORE MAKING THE DISTRIBUTION REQUIRED UNDER
 2 SUBSECTION (B) OF THIS SECTION, THE COMPTROLLER SHALL DISTRIBUTE TO A
 3 SPECIAL FUND 100% OF THE ADDITIONAL ALCOHOLIC BEVERAGE TAX REVENUE
 4 RESULTING FROM THE INCREASE IN THE ALCOHOLIC BEVERAGE TAX RATES
 5 UNDER CHAPTER _____ OF THE ACTS OF 2008
 6 (S.B. ____/H.B. ____)(8LR2796/8LR2214), AS DETERMINED BY THE
 7 COMPTROLLER.

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

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

18 5-105.

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

21 (1) [\$1.50] **\$4.50** for each gallon or [39.63 cents] **\$1.19** for each liter;
 22 and

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

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

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

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

33 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 34 July 1, 2008.

