

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE

Senate Bill 745

(Senator Colburn, *et al.*)

Education, Health, and Environmental Affairs

Economic Matters

Alcoholic Beverages - Definitions - Beer

This bill alters the definition of beer as provided under State law. The definition of beer is expanded to include alcoholic beverages that contain • 6% or less alcohol by volume, derived primarily from the fermentation of grain, with not more than 49% of the beverage's overall alcohol content by volume obtained from flavors and other added nonbeverage ingredients containing alcohol; or • more than 6% alcohol by volume, derived primarily from the fermentation of grain, with not more than 1.5% of the beverage's overall alcohol content by volume obtained from flavors and other added nonbeverage ingredients containing alcohol.

Fiscal Summary

State Effect: None. The Comptroller's Office currently classifies flavored malt beverages as beer and taxes them accordingly.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Beer is defined under State law, as any brewed alcoholic beverage, and includes beer, ale, porter, and stout. In addition, for purpose of State law, hard cider is considered beer.

Background: State tax rates for alcoholic beverages in Maryland are \$1.50 per gallon for distilled spirits, 40 cents per gallon for wine, and 9 cents per gallon for beer. **Exhibit 1** shows the estimated revenues from each type of alcoholic beverage for fiscal 2009.

Exhibit 1
Estimated Alcoholic Beverage Tax Revenues

FY 2009

Distilled Spirits Tax	\$15.1 Million
Wine Tax	5.5 Million
Beer Tax	9.7 Million
Total	\$30.3 Million

Additional Information

Prior Introductions: None.

Cross File: HB 879 (Delegate Love) – Economic Matters.

Information Source(s): Comptroller’s Office, Department of Legislative Services

Fiscal Note History: First Reader - February 14, 2008
mll/hlb

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