

HOUSE BILL 1213

Q7

11r2865

By: **Delegate Howard**

Introduced and read first time: February 18, 2011

Assigned to: Rules and Executive Nominations

Re-referred to: Ways and Means, February 28, 2011

Committee Report: Favorable with amendments

House action: Adopted

Read second time: April 6, 2011

CHAPTER _____

1 AN ACT concerning

2 **Sales and Use Tax – Alcoholic Beverages – ~~Tax Rates~~ Supplementary**
3 **Appropriation**

4 FOR the purpose of altering ~~State tax rates for alcoholic beverages sold in Maryland,~~
5 ~~and generally relating to the alcoholic beverage tax~~ the rate of the sales and use
6 tax imposed on the sale of an alcoholic beverage; making this Act a
7 supplementary appropriation to fund certain public school construction projects
8 and related capital improvements; and generally relating to the sales and use
9 tax imposed on the sale of an alcoholic beverage and a supplementary
10 appropriation.

11 ~~BY repealing and reenacting, with amendments,~~
12 ~~Article – Tax – General~~
13 ~~Section 5–105~~
14 ~~Annotated Code of Maryland~~
15 ~~(2010 Replacement Volume)~~

16 BY adding to
17 Article – Tax – General
18 Section 11–104(g)
19 Annotated Code of Maryland
20 (2010 Replacement Volume)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

3 **Article – Tax – General**

4 ~~5–105.~~

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

7 ~~(1) [~~\$1.50~~] ~~\$10.03~~ for each gallon or [~~39.63 cents~~] ~~\$2.65~~ for each liter;~~
8 ~~and~~

9 ~~(2) if distilled spirits contain a percentage of alcohol greater than 100~~
10 ~~proof, an additional tax, for each 1 proof over 100 proof, of [~~1.5~~] ~~10.03~~ cents for each~~
11 ~~gallon or [~~0.3963~~] ~~2.65~~ cents for each liter.~~

12 ~~(b) Except as provided in subsection (d) of this section, the alcoholic beverage~~
13 ~~tax rate for wine is [~~40 cents~~] ~~\$2.96~~ for each gallon or [~~10.57~~] ~~78.22~~ cents for each~~
14 ~~liter.~~

15 ~~(c) Except as provided in subsection (d) of this section, the alcoholic beverage~~
16 ~~tax rate on beer is [~~9 cents~~] ~~\$1.16~~ for each gallon or [~~2.3778~~] ~~30.6472~~ cents for each~~
17 ~~liter.~~

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

20 ~~11–104.~~

21 **(G) THE SALES AND USE TAX RATE FOR THE SALE OF AN ALCOHOLIC**
22 **BEVERAGE, AS DEFINED IN § 5–101 OF THIS ARTICLE, IS 9% OF THE TAXABLE**
23 **PRICE OF THE ALCOHOLIC BEVERAGE.**

24 SECTION 2. AND BE IT FURTHER ENACTED, That for fiscal year 2012 only
25 and from only those additional revenues resulting from this Act that are credited to
26 the General Fund for fiscal year 2012, and from no other funds, and subject to the
27 provisions of law relating to budgetary procedure to the extent applicable, the amount
28 specified below, or as much thereof as required to accomplish the designated purpose,
29 is hereby appropriated and authorized to be disbursed from as much of those
30 additional revenues as are to be received by the State:

31 D06E02.02 Public School Capital Appropriation

1 In addition to the amount appropriated in the budget bill for fiscal year 2012, to
2 supplement the appropriation for fiscal year 2012, the following amount to be used to
3 fund public school construction projects:

4 General Fund Appropriation..... \$47,500,000

5 SECTION 3. AND BE IT FURTHER ENACTED, That:

6 (a) Notwithstanding §§ 5–301 and 5–302 of the Education Article or any
7 other provision of law, the funds appropriated in Section 2 of this Act shall be
8 allocated to the following counties or regions as provided below. The Board of Public
9 Works shall approve the individual projects, which may or may not be eligible for
10 funding under the Public School Construction Program provided that the proposed
11 project is a public school improvement that meets a school or community need:

12 Anne Arundel County \$5,000,000

13 Baltimore City \$9,000,000

14 Baltimore County \$7,000,000

15 Eastern Shore (Caroline, Dorchester, Kent, Queen Anne’s,
16 Somerset, Talbot, Wicomico, and Worcester Counties) \$1,250,000

17 Howard County \$4,000,000

18 Montgomery County \$9,000,000

19 Northeast Maryland (Cecil and Harford Counties) \$1,250,000

20 Prince George’s County \$9,000,000

21 Southern Maryland (Calvert, Charles, and St. Mary’s Counties) \$1,250,000

22 Western Maryland (Allegany, Carroll, Garrett, Frederick,
23 and Washington Counties) \$750,000

24 (b) In approving funding for projects, the Board of Public Works shall
25 consider:

26 (1) requests from the local jurisdictions; and

27 (2) projects that:

28 (i) benefit older school buildings;

1 (ii) benefit schools with high proportions of children eligible for
2 free and reduced price meals;

3 (iii) can be completed within one year;

4 (iv) eliminate or reduce the use of relocatable classrooms;

5 (v) are designated as A or B by the Interagency Committee on
6 Public School Construction and are not fully funded in the fiscal 2012 Capital
7 Improvement Program approved by the Board of Public Works; or

8 (vi) reduce energy consumption or incorporate high performance
9 “green” building principles.

10 SECTION ~~2~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take
11 effect July 1, 2011.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.