

HOUSE BILL 1316

A1

9lr3079
CF SB 596

By: **Delegates Glenn and Smith**

Introduced and read first time: February 15, 2019

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Alcoholic Beverages – Mead – Definition and Tax Rate**

3 FOR the purpose of including mead within the definition of beer for certain purposes;
4 assigning a certain tax rate for mead; defining certain terms; and generally relating
5 to alcoholic beverages.

6 BY renumbering
7 Article – Alcoholic Beverages
8 Section 1–101(t) through (ee), respectively
9 to be Section 1–101(u) through (ff), respectively
10 Annotated Code of Maryland
11 (2016 Volume and 2018 Supplement)

12 BY repealing and reenacting, without amendments,
13 Article – Alcoholic Beverages
14 Section 1–101(a)
15 Annotated Code of Maryland
16 (2016 Volume and 2018 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article – Alcoholic Beverages
19 Section 1–101(c)
20 Annotated Code of Maryland
21 (2016 Volume and 2018 Supplement)

22 BY adding to
23 Article – Alcoholic Beverages
24 Section 1–101(t)
25 Annotated Code of Maryland
26 (2016 Volume and 2018 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, with amendments,
2 Article – Tax – General
3 Section 5–105
4 Annotated Code of Maryland
5 (2016 Replacement Volume and 2018 Supplement)

6 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
7 That Section(s) 1–101(t) through (ee), respectively, of Article – Alcoholic Beverages of the
8 Annotated Code of Maryland be renumbered to be Section(s) 1–101(u) through (ff),
9 respectively.

10 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
11 as follows:

12 **Article – Alcoholic Beverages**

13 1–101.

14 (a) In this article the following words have the meanings indicated.

15 (c) (1) “Beer” means a brewed alcoholic beverage.

16 (2) “Beer” includes:

17 (i) ale;

18 (ii) porter;

19 (iii) stout;

20 (iv) hard cider that:

21 1. is derived primarily from apples, apple concentrate and
22 water, pears, or pear concentrate and water; and

23 2. contains no other fruit product but contains at least
24 one-half of 1% and less than 8.5% of alcohol by volume; [and]

25 (v) an alcoholic beverage that contains:

26 1. 6% or less alcohol by volume, derived primarily from the
27 fermentation of grain, with not more than 49% of the alcoholic beverage’s overall alcohol
28 content by volume obtained from flavors and other added nonbeverage ingredients
29 containing alcohol; or

30 2. more than 6% alcohol by volume, derived primarily from
31 the fermentation of grain, with not more than 1.5% of the alcoholic beverage’s overall

1 alcohol content by volume obtained from flavors and other added nonbeverage ingredients
2 containing alcohol; AND

3 (VI) MEAD.

4 (T) "MEAD" MEANS A FERMENTED ALCOHOLIC BEVERAGE
5 CONSISTING PRIMARILY OF HONEY AND WATER.

6 Article – Tax – General

7 5–105.

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

10 (1) \$1.50 for each gallon or 39.63 cents for each liter; and

11 (2) if distilled spirits contain a percentage of alcohol greater than 100 proof,
12 an additional tax, for each 1 proof over 100 proof, of 1.5 cents for each gallon or 0.3963 cents
13 for each liter.

14 (b) Except as provided in subsection (d) of this section, the alcoholic beverage tax
15 rate for wine is 40 cents for each gallon or 10.57 cents for each liter.

16 (c) Except as provided in subsection (d) of this section, the alcoholic beverage tax
17 rate on beer AND MEAD is 9 cents for each gallon or 2.3778 cents for each liter.

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

20 (e) The revenue generated from the tax imposed under subsection (b) of this
21 section on wine produced at wineries licensed under the Alcoholic Beverages Article shall
22 be distributed to the Maryland Wine and Grape Promotion Fund under § 2–1102 of the
23 Agriculture Article.

24 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
25 1, 2019.