



February 9, 2021

The Honorable Anne R. Kaiser, Chair
Maryland House Ways and Means Committee
Annapolis, Maryland

RE: Support for HB 796 – Buckel

Dear Delegate Kaiser:

Wine Institute is a trade association representing 1,000 California wineries. More than 80% of all wine sold domestically is produced in California, accounting for 40% of wine sold in most US stores and restaurants. We have had a presence in Maryland for decades participating in all public policy discussions that impact the distribution and sale of wine. For example, in 2011 we supported legislation creating a safe and lawful channel for Marylanders to buy wine and have it shipped to their doors.

That same year, we worked alongside all the Maryland beverage alcohol industry unsuccessfully opposing the effort to increase the sales tax on alcohol from 6% to 9%. This additional sales tax singled out alcohol and continues to apply to purchases from both on-premises locations like restaurants and off-premises locations like package and convenience stores. This 10 year old product-specific tax increase puts Maryland among six states in the country with sales taxes applied to alcohol greater than 9%. The five other states of Illinois, Washington, Arkansas, Tennessee, Alabama and Louisiana all have general sales tax rates above 9%; Maryland's 6% general sales tax rate is well below that, but this product-specific exception for alcohol places it among the 6 highest alcohol sales taxes in the U.S.

Amid the devastation the hospitality industry has faced keeping the public fed and safe during this pandemic, take-out, curbside delivery and drinks-to-go have kept it afloat. HB 796 would provide an additional lifeline. For this reason, **Wine Institute supports HB 796 to temporarily reducing the sales tax on alcohol from 9% to 6%.** Two years of a 3% tax reduction will further reduce the price consumers must pay for a well-deserved drink during the most trying of times.

Please contact me at (804) 301-5505 or tbeirne@wineinstitute.org with any questions. Thank you for your consideration.

Sincerely,

Terri Cofer Beirne

Terri Cofer Beirne, Eastern Counsel