

SENATE BILL 596

A1

9lr1746
CF HB 1316

By: **Senator McCray**

Introduced and read first time: February 4, 2019

Assigned to: Education, Health, and Environmental Affairs and Budget and Taxation

Committee Report: Favorable

Senate action: Adopted

Read second time: March 13, 2019

CHAPTER _____

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)

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 BY adding to
 2 Article – Alcoholic Beverages
 3 Section 1–101(t)
 4 Annotated Code of Maryland
 5 (2016 Volume and 2018 Supplement)

6 BY repealing and reenacting, with amendments,
 7 Article – Tax – General
 8 Section 5–105
 9 Annotated Code of Maryland
 10 (2016 Replacement Volume and 2018 Supplement)

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

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

17 **Article – Alcoholic Beverages**

18 1–101.

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

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

21 (2) “Beer” includes:

22 (i) ale;

23 (ii) porter;

24 (iii) stout;

25 (iv) hard cider that:

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

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

30 (v) an alcoholic beverage that contains:

31 1. 6% or less alcohol by volume, derived primarily from the

1 fermentation of grain, with not more than 49% of the alcoholic beverage's overall alcohol
2 content by volume obtained from flavors and other added nonbeverage ingredients
3 containing alcohol; or

4 2. more than 6% alcohol by volume, derived primarily from
5 the fermentation of grain, with not more than 1.5% of the alcoholic beverage's overall
6 alcohol content by volume obtained from flavors and other added nonbeverage ingredients
7 containing alcohol; AND

8 **(VI) MEAD.**

9 **(T) "MEAD" MEANS A FERMENTED ALCOHOLIC BEVERAGE**
10 **CONSISTING PRIMARILY OF HONEY AND WATER.**

11 **Article – Tax – General**

12 5–105.

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

15 (1) \$1.50 for each gallon or 39.63 cents for each liter; and

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

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

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

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

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

29 **SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July**
30 **1, 2019.**