

Chapter 762

(Senate Bill 596)

AN ACT concerning

Alcoholic Beverages – Mead – Definition and Tax Rate

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

BY renumbering

Article – Alcoholic Beverages
Section 1–101(t) through (ee), respectively
to be Section 1–101(u) through (ff), respectively
Annotated Code of Maryland
(2016 Volume and 2018 Supplement)

BY repealing and reenacting, without amendments,

Article – Alcoholic Beverages
Section 1–101(a)
Annotated Code of Maryland
(2016 Volume and 2018 Supplement)

BY repealing and reenacting, with amendments,

Article – Alcoholic Beverages
Section 1–101(c)
Annotated Code of Maryland
(2016 Volume and 2018 Supplement)

BY adding to

Article – Alcoholic Beverages
Section 1–101(t)
Annotated Code of Maryland
(2016 Volume and 2018 Supplement)

BY repealing and reenacting, with amendments,

Article – Tax – General
Section 5–105
Annotated Code of Maryland
(2016 Replacement Volume and 2018 Supplement)

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

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

Article – Alcoholic Beverages

1–101.

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

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

(2) “Beer” includes:

(i) ale;

(ii) porter;

(iii) stout;

(iv) hard cider that:

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

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

(v) an alcoholic beverage that contains:

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

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

(VI) MEAD.

(T) “MEAD” MEANS A FERMENTED ALCOHOLIC BEVERAGE CONSISTING PRIMARILY OF HONEY AND WATER.

Article – Tax – General

5–105.

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

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

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

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

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

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

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

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

Enacted under Article II, § 17(c) of the Maryland Constitution, May 25, 2019.