

STATE OF MAINE

—  
IN THE YEAR OF OUR LORD  
TWO THOUSAND AND SEVENTEEN

—  
H.P. 574 - L.D. 794

**An Act Regarding the Taxation of Flavored Malt Beverages**

**Be it enacted by the People of the State of Maine as follows:**

**Sec. 1. 28-A MRSA §2, sub-§16-A**, as amended by PL 2011, c. 629, §4, is further amended to read:

**16-A. Low-alcohol spirits product.** "Low-alcohol spirits product" means a product containing spirits that has an alcohol content of 8% or less by volume. Beginning July 1, 2019, "low-alcohol spirits product" does not mean a flavoring, such as an extract or concentrate, added to a malt beverage or wine that:

- A. May or may not contain alcohol;
- B. Is not intended to be consumed alone as a beverage or a food product but serves as a flavor enhancement to a beverage or a food product; and
- C. Is not, prior to being added to a malt beverage or wine, subject to excise tax under chapter 65.

**Sec. 2. 28-A MRSA §2, sub-§31**, as amended by PL 1999, c. 535, §2, is further amended to read:

**31. Spirits.** "Spirits" means any liquor produced by distillation or, if produced by any other process, strengthened or fortified by the addition of distilled spirits of any kind. "Spirits" does not include low-alcohol spirits products or fortified wine. Beginning July 1, 2019, "spirits" does not mean an additive or flavoring, such as an extract or concentrate, that:

- A. Contains alcohol;
- B. Is not intended to be consumed alone as a beverage or a food product but serves as a flavor enhancement to a beverage or a food product; and
- C. Is not subject to excise tax under chapter 65.

**Sec. 3. Classification of certain malt-based or wine-based products for tax purposes; intent.** The Department of Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery Operations may not impose the tax described under the Maine Revised Statutes, Title 28-A, section 1652, subsection 1-A or the tax described under Title 28-A, section 1365 on any malt liquor-based or wine-based product not previously listed by the bureau as of June 1, 2017 or subject to a tax under Title 28-A, section 1652, subsection 1-A or section 1365 based on the fact that a flavoring, extract or concentrate has been added to the product that:

1. May or may not contain alcohol;
2. Is not intended to be consumed alone as a beverage or a food product but serves as a flavor enhancement to a beverage or a food product; and
3. Is not, prior to being added to a malt beverage or wine, subject to excise tax under chapter 65.

This section is not intended to affect the application of the tax described under Title 28-A, section 1652, subsection 1-A or the tax described under Title 28-A, section 1365 to any malt liquor-based or wine-based product described in this section that was listed with the bureau prior to June 1, 2017.