

Ryan Houghton  
Apres  
LD 1855

Thank you committee members,

My name is Ryan Houghton, and I'm co-owner of Apres which is a hard seltzer and hard cider manufacturer in Portland. We launched in 2020 with the goal of providing a local craft made hard seltzer product that didn't yet exist. Consumers were drinking this new product category only from large national brands such as White Claw and Truly. Our products are made here, and use local fruits from over 50 Maine farms.

When we started, we assumed our 5.0% alcohol product would be taxed just like a beer, or like some of our peers who were starting to make a beer based seltzer. At the time, BABLO originally gave us a few different answers as to how it should be taxed, as our process (spirits based rather than malt based) was not something that had been commonly used in the state. They eventually told us to use a sparkling wine tax form as that seemed to be the "closest thing" in their mind. Unfortunately it really should be in a category of its own, as what we called a ready to drink cocktail (RTD) is extremely common in the market now.

This tax rate (\$1.54) is rather high compared to those using a malt based (\$.35) for what is in essence the exact same product at the end of the day. This tax rate is the rate for hard alcohol bottles - not a bubbly refreshing 5% alcohol drink. This puts us at a disadvantage against peers in growing our business locally, and against out of state manufacturers as we try to grow. The craft beverage industry in Maine has seen tremendous growth over the last decade, but unfortunately is struggling today. I ask that you consider supporting LD 1855 and help us stay competitive with neighboring states and national competitors. Thank you for your time and consideration.

Ryan Houghton