

John Squadrito
Vacationland Distributors
LD 1855

Thank you Senator Hickman, Representative Supica and Members of the Committee:
My name is John Squadrito and I am one of the owners of Vacationland Distributors here in Maine. We are a family owned and operated company in our 11th year of business. We work with many breweries, cideries and RTD cocktail producers from Maine and throughout the country to get their products to market and in customers hands.

When we launched several brands, we were helping grow the “ready to drink cocktail” (RTD) market in Maine. RTD is an acronym that is well known at this point, but four years ago BABLO didn’t have a plan for this segment of the craft beverage market. The difference between spirit based seltzers and malt based seltzers is purely founded on the base alcohol—they are identical in ABV, but are taxed radically differently.

At the time BABLO paperwork for RTDs did not exist, and there were no Maine excise tax forms for RTDs. From our experience, it looked like BABLO threw a dart at the wall and it landed on wine, which is what we were told to file under for excise taxes. Shortly after that we were told RTD’s would actually be taxed with sparkling wine, and that we needed to pay 30 cents more than we had planned (\$1.54/gallon).

We are not asking to lower a tax that Maine developed with intention, We are asking to lower a tax that is exorbitantly high. For example; malt excise tax, regardless of alcohol by volume is .35 cents per gallon even if it is an alcoholic seltzer. We’re used to paying a Maine excise tax on beer that is triple the federal excise tax—we were not prepared for the harsh reality of paying almost six times the federal rate for excise taxes on RTDs. Why is Maine charging almost 6 times the federal rate for RTDs vs 3 times the federal rate for beer?

The Maine craft beverage market is struggling, please correct this exorbitantly high excise tax on RTDs. Thank you for your time and consideration today, and we ask for you to support LD 1855. We appreciate your time.

Sincerely,
John Squadrito
Vacationland Distributors