May 7, 2025

Members of the Joint Committee on Veterans and Legal Affairs
Maine State Legislature
100 State House Station, Room 437
Augusta, ME 04333

Re: Opposition to LD 1855, An Act to Impose an Excise Tax on Spirits-based Cocktails Containing No More than 12 Percent Alcohol

Chair Hickman, Vice Chair Supica and Members of the Joint Committee on Veterans and Legal Affairs:

On behalf of the Beer Institute (BI), which represents brewers, beer importers, and industry suppliers of all sizes doing business in Maine, I write to express our strong opposition to LD 1855 — legislation that would reduce excise taxes on spirits-based cocktails with up to 12% alcohol by volume (ABV) to 60¢ per gallon.

While this proposal may appear targeted and limited, its policy implications are broad, concerning, and disruptive to Maine's longstanding regulatory structure for alcohol. Since the repeal of Prohibition in 1933, both the federal government and all 50 states — including Maine — have consistently regulated beer, wine, and spirits as distinct categories, not based solely on ABV. This framework recognizes key differences in how these products are produced, sold, consumed, and taxed.

More concerningly, major spirits companies have openly described these ready-to-drink (RTD) products as a gateway to stronger alcohol. Industry leaders have characterized RTDs as "a consumer recruitment vehicle" and are "a great way to recruit people into the franchise" with the goal of upselling to full-strength liquor.

During the last legislative session, more than a dozen U.S. states rejected proposals similar to LD 1855 due to concerns about the impact of such legislation. In fact, two separate studies – one by the Maryland Alcohol and Tobacco Commission (ATC) and one by Public Sector Consultants – show that these types of bills result in lost revenue for states and increased consumer prices. Notably, consumers in Michigan saw a 44 percent increase in prices for hard liquor canned cocktails, while consumers in Nebraska saw a shocking 65 percent increase in prices for hard liquor canned cocktails once their states passed legislation similar to LD 1855. Further, these two studies found that Michigan and Nebraska lost out on a significant amount of tax revenue once these bills were enacted, with Michigan losing an estimated $2.6 million and Nebraska losing an estimated $1.8 million.

Beer, wine and spirits each serve unique roles in the marketplace and social culture — and they should continue to be taxed and regulated accordingly. LD 1855 undermines that clarity and introduces long-term risks to Maine's alcohol system, including lost tax revenue, market instability and increased access to liquor under the pretense of convenience.

For these reasons, we urge the Committee to reject LD 1855 and instead uphold the distinctions that have guided responsible alcohol regulation for nearly a century.

Thank you for your consideration on this matter.

Sincerely,

Brian Crawford
President & CEO