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Testimony of Rep. James Dill

L.D. 1855 “An Act to Reduce the Excise Tax on Spirits-based Cocktails Containing No More than 12 Percent Alcohol”

Before the Veterans and Legal Affairs Committee

Senator Hickman, Representative Supica, and distinguished members of the Veterans and Legal Affairs Committee, my name is Jim Dill, and I represent House District 26 and the communities of Bradley, Old Town and Penobscot Nation Voting District. I am here before you today to present **L.D. 1855 “An Act to Reduce the Excise Tax on Spirits-based Cocktails Containing No More than 12 Percent Alcohol”**.

This bill requires the state to reduce the excise tax on spirits-based cocktails containing no more than 12% alcohol from \$1.24/gallon to 60 cents/gallon, which is the same rate as wine. Currently, Maine does have a low alcohol spirits product in law, which is defined as not more than 4%. These products are also taxed at \$1.24/gallon. I realize that by adding this category it would create a conflict in the law, unless the rate was for between 4 and 12% for this bill. Which doesn't seem fair, unless, of course, the rate was for all spirits-based cocktails below 12%, which may create a large fiscal note.

Another option would be to look at just spirits-based seltzers 12% and below taxed at 60 cents/gallon, which seem to be very popular. Malt alcohol-based seltzers are taxed at 35cents/gallon. This would cut spirits-based excise tax in half while still being almost twice as much as malt-based seltzers.

I'd try to answer any questions you may have, but I hope there are more knowledgeable people behind me who will speak. Thank you.