

State of Maine
Bureau of Alcoholic Beverages and Lottery Operations (BABLO)
Pricing and Calculator Information

Pricing: Distilled spirits are marked up by the category and bottle size of the item as shown below. The markup, coupled with the premium tax (\$1.25 per proof gallon), and the minimum state profit determines the retail price.

Category Markups			
Category	375 and under	750-1000	1750
Alcohol/Grain	1.98	1.98	1.98
Brandy	1.98	1.84	1.76
Brandy Value	2.13	1.98	1.90
Cognac	1.92	1.80	1.73
Cognac Value	2.13	1.95	1.82
RTD/Cocktails	1.93	1.93	1.93
RTD/Cocktails Value	1.93	1.93	1.93
Cordials	1.91	1.77	1.69
Cordials Value	2.13	1.95	1.82
Gin	1.96	1.82	1.75
Gin Value	2.13	1.95	1.82
Rum	1.95	1.81	1.72
Rum Value	2.13	1.95	1.82
Tequila	1.94	1.80	1.73
Tequila Value	2.13	1.95	1.82
Vodka	1.89	1.76	1.67
Vodka Value	2.13	1.95	1.82
Whiskey	1.91	1.77	1.70
Whiskey Value	2.13	1.95	1.82
Whiskey Canadian	1.98	1.84	1.76
Whiskey Candian Value	2.13	1.95	1.82
Whiskey Irish	1.98	1.83	1.72
Whiskey Irish Value	2.13	1.95	1.82
Whiskey Scotch	1.93	1.76	1.72
Whiskey Scotch Value	2.13	1.95	1.82

The “Value” thresholds are as follows:

- For the 1.75L size, the price is less than \$22.00
- For the 1L size, the price is less than \$13.00
- For the 750ml size, the price is less than \$12.00
- For the 375ml size, the price is less than \$7.00

Minimum State Profit thresholds are as follows:

- 1.75L is \$6.00
- 1L is \$4.50
- 750ml is \$4.00
- 375ml is \$2.50
- 250ml is \$2.25
- 200ml is \$2.00
- 100ml is \$1.30
- 50ml is \$0.75

How the calculation works:

Step 1. Calculating the initial retail price

- Bottle Cost (supplier price sold to BABLO) multiplied by the Markup (the category is based on the type of product and whether it is in the value threshold) plus the Premium Tax.
- Retail is rounded up to end in .49 or .99 (or .29, .49, .79, .99 for sizes less than 375 ml).

Step 2. Determining wholesale price

- Retail multiplied by agency liquor store discount rate (18%).

Step. 3. Determining whether the wholesale price meets value threshold

- If the wholesale price is less than the Value thresholds listed above, then the retail price must be re-calculated as follows:
 - Bottle Cost multiplied by the Category Value Markup plus the Premium Tax.
 - Retail is rounded as noted above.

State of Maine
Bureau of Alcoholic Beverages and Lottery Operations (BABLO)
Pricing and Calculator Information

Step 4. Determining whether the wholesale price meets Minimum State Profit Threshold (MSPT)

- If the wholesale price from either Step 2 or 3 is less than the MSPT as listed above, then the retail price is rounded to the next price point (ending in either .49 or .99 etc.) until it achieves the required MSPT.

Sample-1 calculation for Vodka, 80 proof, 1.75L, 6 pack case:

Case Cost (referred to as FOB) for the bottles in the case: \$124.07
Bottle Cost is determined by case pack size: \$124.07 divided by 6 = \$20.67

Step 1 - Retail Price calculation:

- Bottle cost of \$20.67 is multiplied by the vodka category markup of 1.67 plus the premium tax of \$0.4624 equals \$34.98 which is rounded to \$34.99.

Step 2 - Wholesale Price calculation:

- Bottle Retail Price of \$34.99 is multiplied by the agency liquor store discount rate of 18% (which equals \$6.30) for the wholesale price of \$28.69.

Step 3 - Value Threshold determination:

- Retail price for this 1.75L Vodka is above the value threshold.

Step 4 - Minimum State Profit Threshold (MSPT) determination:

- Wholesale price of \$28.69 minus the bottle cost of \$20.67 equals \$8.02 which meets the MSPT for a 1.75L bottle.

Sample-2 calculation for Vodka, 80 proof, 1.75L, 6 pack case:

Case Cost (referred to as FOB) for the bottles in the case: \$35.02
Bottle Cost is determined by case pack size: \$35.02 divided by 6 = \$5.84

Step 1 - Retail Price calculation:

- Bottle cost of \$5.84 is multiplied by the vodka value category markup of 1.82 plus the premium tax of \$0.4623 equals \$11.09 which is rounded to \$11.49.

Step 2 - Wholesale Price calculation:

- Bottle Retail Price of \$11.49 is multiplied by the agency liquor store discount rate of 18% (which equals \$2.07) for the wholesale price of \$9.42

State of Maine
Bureau of Alcoholic Beverages and Lottery Operations (BABLO)
Pricing and Calculator Information

Step 3 - Minimum State Profit Threshold (MSPT) determination:

- Wholesale price of \$9.42 minus the bottle cost of \$5.84 equals \$3.58 which does not meet the MSPT for a 1.75L bottle.

Step 4 – Lowest Retail Price determination to meet Minimum State Profit Threshold (MSPT):

- Add \$.50 to the retail price until the results meet the MSPT.
 - Bottle retail price of \$14.99 is multiplied by agency liquor store discount rate of 18% (which equals \$2.70) for a wholesale price of \$12.29.
 - Wholesale price of \$12.29 minus the bottle cost of \$2.37 equals \$6.45, which does meet the MSPT for a 1.75L bottle.