SENATE DOCKET, NO. 931 FILED ON: 1/18/2023

SENATE . . . . . No. 1860

The Commonwealth of Massachusetts

PRESENTED BY:

Jason M. Lewis

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to the fair taxation of alcoholic beverages.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
Jason M. Lewis	*Fifth Middlesex*	
John F. Keenan	*Norfolk and Plymouth*	*3/13/2023*
Carmine Lawrence Gentile	*13th Middlesex*	*5/9/2023*

SENATE DOCKET, NO. 931 FILED ON: 1/18/2023

SENATE . . . . . No. 1860

By Mr. Lewis, a petition (accompanied by bill, Senate, No. 1860) of Jason M. Lewis for legislation relative to the fair taxation of alcoholic beverages. Revenue.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. *1913* OF 2021-2022.]

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Third General Court
(2023-2024)

An Act relative to the fair taxation of alcoholic beverages.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

Chapter 138, as appearing in the 2020 Official Edition, is hereby amended by striking section 21, and inserting in place thereof the following section:-

"Section 21. Every licensed manufacturer of alcoholic beverages or alcohol as defined in this chapter, and every winegrower under section nineteen B, and every farmer-brewer under section 19C, and every pub brewer under section 19D, and every holder of a wholesaler's and importer's license for the sale and importation of alcoholic beverages, and every licensee under sections 18C and 76 shall, in addition to the license fees elsewhere provided in this chapter, be liable for and pay to the commonwealth an excise, for the privilege enjoyed by him as such manufacturer, winegrower, farmer-brewer wholesaler and importer, or licensee under sections 18C and 76, to be levied on sales within the commonwealth of alcoholic beverages or alcohol,

other than wines to be used for sacramental purposes only and other than malt beverages imported into the commonwealth, and to be levied on importations of malt beverages into the commonwealth, as follows:

(a) For each barrel of thirty-one gallons, or fractional part of a barrel, aforesaid, of malt beverages, at the rate of ten dollars and seventy three cents per barrel aforesaid;

(b) For each wine gallon, or fractional part thereof, of cider containing more than three per cent but not more than six per cent of alcohol by weight at sixty degrees Fahrenheit, at the rate of five and one quarter cents per wine gallon;

(c) For each wine gallon, or fractional part thereof, of still wine, other than cider containing more than three per cent but not more than six per cent of alcohol as aforesaid, including vermouth, at the rate of ninety six cents per wine gallon;

(d) For each wine gallon, or fractional part thereof, of champagne and all other sparkling wines, at the rate of one dollar and twenty two cents per wine gallon;

(e) For each wine gallon, or fractional part thereof, of all other alcoholic beverages containing fifteen per cent or less of alcohol by volume at sixty degrees Fahrenheit, at the rate one dollar and ninety two cents per wine gallon;

(f) For each wine gallon, or fractional part thereof, of all other alcoholic beverages containing more than fifteen per cent but not more than fifty per cent of alcohol by volume at sixty degrees Fahrenheit, at the rate of seven dollars and fifty one cents per wine gallon;

(g) For each proof gallon, or fractional part thereof, of all other alcoholic beverages containing more than fifty per cent of alcohol by volume at sixty degrees Fahrenheit, or alcohol

at the rate of seven dollars and fifty one cents per proof gallon. The words "proof gallon" when used in this section with reference to an alcoholic beverage, shall be held to be a gallon of the alcoholic beverage which contains one half its volume of alcohol of a specific gravity of seven thousand nine hundred and thirty-nine ten thousandths (.7939) at sixty degrees Fahrenheit. Every person subject to this section shall keep a true and accurate account of all alcoholic beverages or alcohol sold by him other than malt beverages imported into the commonwealth by him, and a like account of all malt beverages imported into the commonwealth by him. The excise imposed by this section shall be paid to the commissioner of revenue at the time provided for filing the return required by section sixteen of chapter sixty-two C. The state tax commission by rule or regulation shall provide for the waiver of payment of the excise in respect to any alcoholic beverages or alcohol if it appears that an excise has already been paid under the provisions of this section in respect thereto; provided, however, that alcoholic beverages or alcohol manufactured within or imported into the commonwealth and exported therefrom shall be exempt from such excise. Alcohol for the purpose of this section shall not include alcohol sold for scientific, chemical, mechanical, manufacturing, industrial, culinary, pharmaceutical or medical purposes in containers greater in capacity than one wine gallon, and shall not include absolute alcohol, so-called, sold for such purposes in any containers. The taxes imposed by this section shall also be applicable to sales of alcoholic beverages, upon which an excise has not already been paid under the provisions of this section, made by railroad or car corporations or the owner or operator of any vessel or shipping company licensed to sell alcoholic beverages under the provisions of section thirteen.

Any person who shall knowingly purchase, sell or possess any alcoholic beverages or alcohol not manufactured in, produced in or imported into the commonwealth by a licensed

manufacturer, a winegrower or a holder of a wholesaler's and importer's license for the sale and importation thereof or a licensee under section seventy-six, or a railroad or car corporation or the owner or operator of any vessel or shipping company licensed under section thirteen, or a person holding a permit for importation under section twenty-two A, or any person specifically exempted by section two, shall, in addition to any other penalties provided for violation of any provisions of this chapter, be subject to a fine equal to double the amount of the excise which would have been payable by a licensee subject to this section if such alcoholic beverages or alcohol had been imported or sold by such licensee. The state police and all local police authorities shall have authority to enforce, and shall, at the request of the commissioner or his duly authorized agent, enforce the provisions of this paragraph.

The administration of the tax imposed by this section shall be vested in the commissioner of revenue and governed by the provisions of chapter sixty-two C. The commissioner shall every five years adjust for inflation the figures in paragraphs (a) through (g) inclusive and shall promulgate regulations to impose the additional excise, if any, on said sales within the commonwealth of alcoholic beverages or alcohol.

All sums received under this section, including all sums received as penalties, forfeitures, interest, costs of suits and fines, less all amounts allowed as refunds and abatements under this section, shall be credited as follows:

(a) Nine per cent shall be credited to the Commonwealth's Pension Liability Fund for the accumulation of assets in advance of the payment of retirement allowances and used solely for the purposes of offsetting the anticipated future cost of funding the contributory retirement systems of the state employees and teachers as defined in section one of chapter thirty-two.

(b) Fifty per cent shall be expended for public health and wellness purposes, including but not limited to substance misuse prevention and domestic violence prevention.

(c) The balance shall be credited to the General Fund."