

TREATMENT OF LOW-ALCOHOL SPIRITS BEVERAGES IN SOME CONTROL STATES (Prepared by VWBA 1/2021)

State	Low Spirit Beverage Definition	Tax Treatment and Rate
<p>Idaho - "Low proof spirit beverages," 14% ABV or less are treated and taxed as wine. Beer distributors distribute.</p>	<p>(g) "Low proof spirit beverages" means any alcoholic beverage containing not more than fourteen percent (14%) alcohol by volume obtained by distillation mixed with drinkable water, fruit juices and/or other ingredients in solution. These products shall be considered and taxed as wine. Spirit-based beverages exceeding fourteen percent (14%) alcohol by volume shall be considered as liquor and sold only through the division system." https://legislature.idaho.gov/statutesrules/idstat/title23/t23ch13/sect23-1303/</p>	<p>Taxed as wine</p>
<p>Iowa - "Canned cocktail" that is more than 6.25% ABV but not more than 15% ABV (must be in metal cans) may be distributed by beer distributors (new law in 2019).</p>	<p>"Canned cocktail" means a mixed drink or cocktail that is premixed and packaged in a metal can and contains more than six and twenty-five hundredths percent of alcohol by volume but not more than fifteen percent of alcohol by volume." "Mixed drink or cocktail" means an alcoholic beverage, composed in whole or in part of alcoholic liquor, that is combined with other alcoholic beverages or nonalcoholic beverages or ingredients including but not limited to ice, water, soft drinks, or flavorings. https://www.legis.iowa.gov/legislation/BillBook?ba=sf323&ga=88&utm_medium=email&utm_source=govdelivery</p>	<p>Canned cocktails are taxed and treated the same as beer (\$0.19/gallon) as long as it falls within the definitional threshold described. If the product is above 15% ABV the state has jurisdiction. Wine is taxed at a rate of \$1.75/gallon. If the ABV is less than 5% then it's taxed at the same rate as beer.</p>
<p>Maine - Beer distributors are allowed to distribute "low-alcohol spirits products" 8% ABV or less</p>	<p>§ 2. Definitions. 16-A. Low-alcohol spirits product."Low-alcohol spirits product" means a product containing spirits that has an alcohol content of 8% or less by volume. Beginning July 1, 2019, "low-alcohol spirits product" does not mean a flavoring, such as an extract or concentrate, added to a malt beverage or wine that: A. May or may not contain alcohol; [2017, c. 301, §1 (NEW).] B. Is not intended to be consumed alone as a beverage or a food product but serves as a flavor enhancement to a beverage or a food product; and [2017, c. 301, §1 (NEW).] C. Is not, prior to being added to a malt beverage or wine, subject to excise tax under chapter 65. [2017, c. 301, §1 (NEW).] https://legislature.maine.gov/legis/statutes/28-A/title28-Asec2.html</p>	<p>"Malt liquor" is a malt based beverage 1/2 of 1 percent ABV or more and is taxed at 35 cents per gallon. Low alcohol spirits (8% ABV or less) are taxed at \$1.24 per gallon. Wine is taxed at 60 cents per gallon.</p>

<p>Michigan - Beer distributors can distribute "mixed spirit drinks" that are 10% ABV or less.</p>	<p>(7) "Mixed spirit drink" means a drink manufactured and packaged or sold by a mixed spirit drink manufacturer or sold by an outstate seller of mixed spirit drink to a wholesaler that contains 10% or less alcohol by volume consisting of spirits mixed with nonalcoholic beverages or flavoring or coloring materials and that may also contain 1 or more of the following: (a) Water. (b) Fruit juices. (c) Fruit adjuncts. (d) Sugar. (e) Carbon dioxide. (f)Preservatives https://www.michigan.gov/documents/dleg/MLCC_Code_and_Rules_343265_7.p df</p>	
<p>New Hampshire - Beer distributors could distribute any "beverage" (malt, wine or spirits) 6% ABV or less for many years. Starting in 2020, beer distributors may also sell "specialty beverages" between 6% and 8% ABV (wine or spirits based) if in ready to drink containers not to exceed 16 ounces. The Liquor Commission in NH can also sell "specialty beverages" (dual channel). Note that "specialty beverage" (wine and spirit based) at 8% ABV is the same as cider (8%), less than flavored malt beverages (8.5%) and less than specialty beer (12%), specialty cider (8-12%) or wine (24%) in the same retail channel.</p>	<p>"Beverage" means any beer, wine, similar fermented malt or vinous liquors and fruit juices, and any other liquid intended for human consumption as a beverage having an alcoholic content of not less than 1/2 of one percent by volume and not more than 6 percent alcohol by volume at 60 degrees Fahrenheit and specialty beer as defined in RSA 175:1, LXIV-a. The commission may approve any fermented malt beverage or mead greater than 6 percent but not to exceed 8 percent or any cider greater than 6 percent or any specialty cider greater than 8 percent and not to exceed 12 percent alcohol by volume at 60 degrees Fahrenheit. A beverage shall not be considered a product classified by the commission as a domestic wine as defined in RSA 175:1, LXVII, or a table wine as defined in RSA 175:1, LXIX, or a fortified wine as defined in RSA 175:1, XLII. "Specialty beverage" means any wine based product or liquor based product with other liquids added for human consumption having a combined alcoholic content of not less than 6 percent alcohol by volume and not more than 8 percent alcohol by volume at 60 degrees Fahrenheit and sold in single serve ready to drink containers that shall not exceed 16 ounces. The commission may approve any specialty beverage. A specialty beverage shall not be considered a product classified by the commission as a domestic wine as defined in RSA 175:1, LXVII, a table wine as defined in RSA 175:1, LXIX, a fortified wine as defined in RSA 175:1, LXVIII, or a liquor as defined in RSA 175:1, XLII. (HB 1245, An Act adopting omnibus legislation concerning state agencies, enacted 6/30/20, http://gencourt.state.nh.us/legislation/2020/HB1245.html)</p>	<p>Beverages up to 6 percent ABV (malt, wine, spirit based) are taxed like beer at \$.30/gallon; "Specialty beverages" (wine and spirit based) have an excise tax set at 5 percent of wholesale price per case paid by distributors or beverage manufacturers (same as wine)</p>
<p>Ohio - "Mixed beverages" 21% ABV or less can be distributed by beer distributors.</p>	<p>(4) "Mixed beverages" include bottled and prepared cordials, cocktails, highballs, and solids and confections that are obtained by mixing any type of whiskey, neutral spirits, brandy, gin, or other distilled spirits with, or over, carbonated or plain water, pure juices from flowers and plants, and other flavoring materials. The completed product shall contain not less than one-half of one per cent of alcohol by volume and not more than twenty-one per cent of alcohol by volume. http://codes.ohio.gov/orc/4301</p>	

<p>Virginia - "Low alcohol beverage cooler" up to 7.5% ABV can be distributed by WINE distributors (not beer distributors).</p>	<p>"Low alcohol beverage cooler" means a drink containing one-half of one percent or more of alcohol by volume, but not more than seven and one-half percent alcohol by volume, and consisting of spirits mixed with nonalcoholic beverages or flavoring or coloring materials; it may also contain water, fruit juices, fruit adjuncts, sugar, carbon dioxide, preservatives or other similar products manufactured by fermenting fruit or fruit juices. Low alcohol beverage coolers shall be treated as wine for all purposes of this title; except that low alcohol beverage coolers shall not be sold in localities that have not approved the sale of mixed beverages pursuant to § 4.1-124 . In addition, low alcohol beverage coolers shall not be sold for on-premises consumption other than by mixed beverage licensees.https://codes.findlaw.com/va/title-4-1-alcoholic-beverage-control-act/va-code-sect-4-1-100.html</p>	<p>"Low alcohol beverages coolers" are taxed as "wine." The Virginia wine excise tax is \$0.40 per liter. Va. Code section 4.1-234 https://law.lis.virginia.gov/vacode/title4.1/chapter2/section4.1-234/</p>
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