

WHEREAS, The direct shipment of alcoholic beverages has become a significant issue of concern for alcoholic beverages regulators and tax administrators nationwide; and

WHEREAS, Illegal shipments of beer, wine, and distilled spirits sold over the Internet or through direct mail have blossomed into a \$1 billion a year business; and

WHEREAS, As a result, states' rights are routinely violated and state governments are losing between \$200 million and \$400 million in tax revenues each year; and

WHEREAS, The federal Bureau of Alcohol, Tobacco and Firearms, which must issue permits for most alcoholic beverage producers, could remove the licenses of producers who ship directly, but has not chosen to do so on a widespread basis; and

WHEREAS, The National Conference of State Liquor Administrators, the National Alcoholic Beverage Control Association, and the Joint Committee of the States to Study Alcoholic Beverage Laws, have passed resolutions opposing the direct shipment of alcoholic beverages contrary to individual state laws; and

WHEREAS, A person under the legal drinking age may easily order and receive alcoholic beverages through direct shipping programs or by simply logging onto their computers; and

WHEREAS, The direct shipment of alcoholic beverages to consumers avoids the alcoholic beverage excise tax and the State sales tax, resulting in a significant revenue loss to Maryland; and

WHEREAS, The direct shipment of alcoholic beverages circumvents the established three-tier license and distribution system for alcoholic beverages in Maryland and all of the necessary controls inherent in this system; and

WHEREAS, The use of the Internet and direct sales catalogs for promoting direct shipments of alcoholic beverages has increased significantly in recent years; and

WHEREAS, Legitimate entities may directly market their alcoholic beverage products to consumers through programs approved by the State Comptroller's Office that allow the product to flow through normal distribution channels, thus assuring that taxes are paid, controls are established, and minors are protected; now, therefore, be it

RESOLVED BY THE GENERAL ASSEMBLY OF MARYLAND, That it is the policy of the Maryland General Assembly that the direct shipment of alcoholic beverages to consumers in Maryland from entities located outside of Maryland is illegal and continues to be contrary to the public policy of the State, and the General Assembly directs that the State Comptroller's Office continue its education, compliance, and enforcement efforts to protect the citizens and taxpayers of the State; and be it further

RESOLVED, That the President and the Congress of the United States is respectfully urged to support and enact legislation that will resolve the problem of