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Maryland Clarifies Pomace Brandy Tax Rules

New law expands limited wineries’ production rights while requiring the spirit to be reported for tax purposes

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Maryland has enacted a law that changes how some wineries can make and report pomace brandy, a move that affects both production rules and tax compliance for the state’s alcohol industry.

The measure, S.B. 803, was signed by Gov. Wes Moore on May 26 and takes effect July 1. It expands the definition of pomace brandy that may be produced by Class 4 limited wineries, a category that covers smaller winery operations with restricted production rights. The law also makes clear that pomace brandy must be reported as a distilled spirit for alcoholic beverage tax purposes.

Pomace brandy is made from the leftover skins, seeds and stems of grapes after winemaking. The new Maryland law does not change the basic nature of the product, but it does clarify how the state wants it classified when wineries file tax reports. That distinction matters because distilled spirits are taxed and reported differently from wine in many state systems.

For limited wineries, the change could affect how they account for production and sales if they make pomace brandy under the expanded definition. It also gives state tax officials a clearer basis for reviewing filings and determining whether the product has been reported correctly.

The law comes as states continue to refine alcohol rules that govern small producers, especially as wineries diversify into spirits-like products and other value-added beverages. In Maryland, the new language is aimed at removing ambiguity over whether pomace brandy should be treated like wine or like a distilled spirit for tax reporting.

The change applies beginning July 1, giving wineries and tax preparers a short window to adjust their reporting systems before the new rules take effect.