

Alcoholic Beverage Tax

This publication is designed to provide sellers, manufacturers, and importers of alcoholic beverages with general information about California's [Alcoholic Beverage Tax Program](#). If you have questions that are not answered in this publication, please contact us.

What is the alcoholic beverage tax?

The alcoholic beverage tax is a per-gallon excise tax collected on the sale, distribution, or importation of alcoholic beverages in California. Revenues from the tax are deposited into the Alcohol Beverage Control Fund and are withdrawn for use by the State's General Fund or used to pay refunds under this program.

Who is required to register?

In general, you must register with our agency, the Board of Equalization (BOE), if you are required to obtain one of the following licenses issued by the [Department of Alcoholic Beverage Control](#) (ABC):

- Manufacturer
- Wine blender
- Importer
- Winegrower
- Rectifier
- Wholesaler
- Customs broker
- On-sale general brew pub
- Distilled spirits manufacturer's agent

If you apply to the ABC for one of the above licenses, we will be notified of your application and will mail you a registration packet to complete.

Common carriers, other than railroads and steamship companies, must also register with us in order to transport alcoholic beverages into this state.

All registered taxpayers must post security of at least \$500 with us prior to the issuance of an Alcoholic Beverage Tax license.

What are the tax filing requirements?

All registered taxpayers, other than common carriers, must file a tax return on or before the 15th of the month following the period covered by the return. Common carriers selling alcoholic beverages must file a tax return on or before the first day of the second month following the monthly period. You must file a return even if you do not owe tax for the reporting period.

You should keep a duplicate of your return on the licensed premises for verification by our auditors.

Penalties:

- **Sending a late tax return form**
The penalty for filing a late return (including returns for which no tax was due) is \$50 or ten percent of the amount of tax due, whichever is more. Late filers must include payment for the penalty and interest with their tax return.
- **Sending a late payment**
The penalty for late payment of tax is ten percent (0.10) of the amount due. If you make a late payment, you must include the tax owed, the penalty, and interest.

How is the tax applied?

Beer and wine. The excise tax on beer and wine is generally paid by manufacturers, wine growers, and importers. Sellers of beer and wine must pay the excise tax if the tax was not paid by the manufacturers, wine growers, or importers.

Distilled spirits. In general, the excise tax on distilled spirits is paid by distilled spirits wholesalers based on sales to in-state retailers. Sellers of distilled spirits must pay the excise tax if the tax was not paid by the wholesaler.

EXCISE TAX FACTS

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For additional information you may download regulations, forms, and publications from our website or you may call our Taxpayer Information Section to talk to a Board of Equalization representative.

BOE website and Board Member contact information:
www.boe.ca.gov

Taxpayer Information Section
800-400-7115
TDD/TTY 800-735-2929

Or write to us at:
Excise Taxes Division,
MIC:56
State Board of Equalization
PO Box 942879
Sacramento, CA
94279-0056

Taxpayers' Rights Advocate
888-324-2798

BOARD OF EQUALIZATION MEMBERS (Names Updated 2009)

RAMON J. HIRSIG
Executive Director

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Second District
Ontario/Sacramento

MICHELLE STEEL
Third District
Rolling Hills Estates

JEROME E. HORTON
Fourth District
Los Angeles

JOHN CHIANG
State Controller

What is the tax rate?

Beverage	Rate Per Gallon
Distilled Spirits (100 proof or less)	\$ 3.30
Distilled Spirits (over 100 proof)	\$ 6.60
Beer	\$ 0.20
Wine	\$ 0.20
Sparkling hard cider	\$ 0.20
Champagne and sparkling wine	\$ 0.30

Effective October 1, 2008, the BOE approved new regulations which clarify the definition of “distilled spirits.” [Regulation 2559](#) establishes a rebuttable presumption that all alcoholic beverages, except wine as defined under Business and Professional Code section 23007, are “distilled spirits.” If the alcoholic beverage manufacturer does not rebut the presumption as provided under [Regulation 2559.1](#), the alcoholic beverage will be presumed to meet the definition of “distilled spirits.” More information detailing the requirements of the regulations may be obtained by visiting our website at www.boe.ca.gov/sptaxprog/abtax.htm.

General exemptions

The following are exempt from tax:

- Alcoholic beverages in continuous transit through the state.
- Certain sales of alcohol, distilled spirits, or wine for use in trades, professions, or for industrial purposes, and not for beverage purposes.
- Distilled spirits, wine and beer sold for export and actually exported.
- Sale of alcoholic beverages to certain commercial carriers of persons when beverages will be used on their facilities outside California.
- Sales of distilled spirits by brandy manufacturers, distilled spirits manufacturers, rectifiers, importers, and distilled spirits wholesalers to U.S. Army, Air Force, Navy, Marine Corps, or Coast Guard exchanges, officers’ clubs, noncommissioned officers’ and enlisted men’s clubs, or messes located in California.

Tax credits

Tax credits may be allowed for:

- Beer or wine subsequently exported outside California or destroyed.
- Distilled spirits sold to certain persons holding a permit under federal law and who use the distilled spirits in food products.

Where should records be maintained?

You must maintain your records at your licensed premises unless we have given you permission to keep them at another location.

To register or obtain more information

If you have questions regarding this program or need to register with the BOE, please contact the Excise Taxes Division at the following address:

Excise Taxes Division MIC:56
 State Board of Equalization
 PO Box 942879
 Sacramento, CA 94279-0056

Telephone: 800-400-7115
 Fax: 916-323-9297

For More Information

[Publication 16](#), *Alcoholic Beverage Tax Regulations and Instructions*

BOE Alcoholic Beverage Tax information: www.boe.ca.gov/sptaxprog/abtax.htm

Department of Alcoholic Beverage Control: www.abc.ca.gov

Note: This publication summarizes the law and applicable regulations in effect when the publication was written. However, changes in the law or in regulations may have occurred since that time. If there is a conflict between the text in this publication and the law, decisions will be based on the law and not on this publication.