

# Tax Help for Liquor Stores



**California State  
Board of Equalization**



# BOE CAN HELP

The BOE offers an informative online industry guide, *Tax Guide for Liquor Store Operators*, to help you understand how tax applies to the following:

- Cigarette and tobacco products
- Hot prepared foods
- Lottery ticket sales
- California Redemption Value (CRV)
- Newspapers and magazines
- Combination meals
- And much more

The Board of Equalization (BOE) understands tax issues related to your industry can be time-consuming and complicated, and wants to help you get the information you need so you can focus on your business.

The success of your business is important to the BOE. Taxes you collect and pay to the state help fund vital state and local services and programs.

To help you understand the tax obligations specific to liquor store operators and owners, we developed online tools for you.



This guide provides resources you need to comply with California's sales tax laws.

You can access these industry guides at [www.boe.ca.gov/industry](http://www.boe.ca.gov/industry)



## Helpful Tax Tips for Liquor Stores

### Lottery Tickets:

Sales of tickets for California Lottery games are not taxable. You should not include them in your sales and use tax return as part of your gross receipts.

### Foods Prepared in a Microwave Oven on Premises:

A sale of a food product that is normally exempt from tax—such as a sale of a frozen burrito—may become taxable if the product is heated in a microwave oven prior to the sale. If the customer heats the product, the sale is not taxable; however, if the liquor store owner or employee heats the product, the sale is a taxable sale of a hot food product.

### Recordkeeping:

Keep all records required to determine your correct sales and use tax liability including:

- Normal books of account showing business income and expenses;
- Documents such as invoices, receipts, cash register tapes, point-of-sale system records, job orders, and contracts used as the basis for your books of account; and
- All schedules or working papers used in preparing your sales and use tax returns.





# Did You Know?

- Generally, if the sale of a beverage is taxable, tax also applies to the CRV (California Redemption Value).
- Sales of ice are generally taxed.
- You must have a California Cigarette and Tobacco Products Retailer's License, in addition to a seller's permit, before purchasing or selling cigarettes or tobacco products.
- A combination meal that includes a hot beverage or hot food is taxable if the meal is sold for a single price.
- Sales of cold sandwiches sold to go are generally not taxable.
- Sales of newspapers and magazines are taxable.
- Sales of carbonated water and soft drinks are taxable.
- Sales of nonprescription medicines (for example, aspirin) are taxable.



Liquor stores cater to those stopping by for a six-pack or a special bottle of wine to take to dinner. They also pay tax dollars which support products and services for Californians.

The BOE wants to help you understand California's tax and fee laws.

Contact the BOE for assistance.  
Call 1-800-400-7115



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