



## California Court of Appeal Invalidates Distilled Spirits Regulations

According to the California Third District Court of Appeal ruling filed April 30, 2012, in *Diageo-Guinness USA, Inc., et al. v. State Board of Equalization*, California's Alcoholic Beverage Tax Regulations [2558](#), [2558.1](#), [2559](#), [2559.1](#), [2559.3](#), and [2559.5](#), defining “distilled spirits” and “wine” for taxation purposes, have been invalidated.

We are in the process of revising the [BOE-501-DS](#), *Distilled Spirits Tax Return*, to eliminate lines 9a and 9b. Please do not enter data on either of these lines.

Manufacturers, wine growers and importers should return to the prior practice of reporting beer, wine and distilled spirits transactions for alcoholic beverage tax purposes consistent with the classifications established by the [Department of Alcoholic Beverage Control](#).

**Manufacturers, wine growers and importers of these beer and wine products are hereby advised to stop reporting these products at the higher distilled spirits tax rate effective immediately.**

### For more information

If you have any questions regarding this notice, please call the Taxpayer Information Section at 800-400-7115 (TTY:711). From the main menu, select the “Special Taxes and Fees” option. Assistance is available weekdays from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays.