

## Wholesale Beer Tax

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Dear Reader:

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We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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## Wholesale Beer Tax

**Reference Number:** MTAS-1855

**Revenue Class:** Local Taxes

**Fund:** General

**Account No.:** 31710

**Description:** State authorized tax on wholesale sales of beer. Wholesale beer deliveries to retail outlets in a city or county are taxed at flat rate of \$35.60 per barrel sold. The tax is paid by each beer wholesaler directly to the city or county, and monthly reports on such sales are made to the state Department of Revenue and to each city and county. Of this tax, a wholesaler must remit \$.17 to the state for administration and retain \$.92 to defray the cost of collecting and remitting the tax. A city should check that tax payments are being received from beer wholesalers serving the area based on deliveries to all retail beer outlets in the city. If there is doubt about administration of the tax, an investigation by the Department of Revenue may be requested.

**Authorization:** T.C.A. § 57-6-101 *et seq.* (Wholesale Beer Tax Act)

**Requirements or Restrictions:** N/A

**Current Rate:** \$35.60 per barrel sold (31 gallons).

**Frequency of Payment:** Monthly by the 20th.

**Late Pay Penalty:** City may institute legal action for collection. T.C.A. § 57-6-107(b).

**Exemptions:** Wholesalers may deduct this amount from their gross receipts tax liability. T.C.A. § 67-4-711 (b)(5). Wholesale sales are tax-free if sold to U.S. armed forces. T.C.A. § 57-6-111.

**Collection:** Beer wholesalers remit monthly, directly to the municipality on state-prescribed forms.

**Use Restrictions:** None.

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