

Department of Revenue's Response to a Question from James Brooks, State Reporter, Anchorage Daily News, Regarding the Department's Notice of Proposed Changes to Taxes for Alcoholic Beverages dated September 10, 2020 for Proposed Changes to Department Regulations under 15 AAC 60, Excise Tax on Alcoholic Beverages.

Question:

I had a question about the proposed change to 15 AAC 60 — hard seltzers/kombuchas are paying the excise tax now, right? There's no one who's not currently paying the tax that will have to pay it now?

Department's response:

The proposed regulations define malt beverages and substitutes for malt, cider, and beer. Malt beverages are considered beer under federal law, which allows brewers a reduced rate. Because Alaska follows the federal designation, the effect of the proposed regulation is that Alaska would allow a reduced rate as well.