

Chapter 43.60 EXCISE TAX ON ALCOHOLIC BEVERAGES

Sec. 43.60.010. Alcoholic beverage tax.

(a) Except as provided in (c) of this section, every brewer, distiller, bottler, jobber, retailer, wholesaler, or manufacturer who sells alcoholic beverages in the state or who consigns shipments of alcoholic beverages into the state, whether or not the alcoholic beverages are brewed, distilled, bottled, or manufactured in the state, shall pay on all malt beverages (alcoholic content of one percent or more by volume), wines, and hard or distilled alcoholic beverages, the following taxes:

(1) malt beverages at the rate of \$1.07 a gallon or fraction of a gallon;

(2) cider with at least 0.5 percent alcohol by volume but not more than seven percent alcohol by volume, at the rate of \$1.07 a gallon or fraction of a gallon;

(3) wine or other beverages, other than beverages described in (1) or (2) of this subsection, of 21 percent alcohol by volume or less, at the rate of \$2.50 a gallon or fraction of a gallon; and

(4) other beverages having a content of more than 21 percent alcohol by volume at the rate of \$12.80 a gallon.

(b) *[Repealed, Sec. 3 ch 235 SLA 1976].*

(c) A brewer shall pay a tax at the rate of 35 cents a gallon on sales of the first 60,000 barrels of beer sold in the state each fiscal year beginning July 1, 2001, for beer produced in the United States if the producing brewery meets the qualifications of 26 U.S.C. 5051(a)(2). To qualify for the tax rate under this subsection, the brewer must file with the department a copy of an Alcohol and Tobacco Tax and Trade Bureau acknowledged copy of the brewer's notice of intent to pay reduced rate of tax required under 27 C.F.R. 25.167 for the calendar year in which the fiscal year begins for which the partial exemption is sought. If proof of eligibility is not received by the department before June 1, the tax rate under this subsection does not apply until the first day of the second month after the month the notice is received by the department. For purposes of applying this subsection, a barrel of beer may contain not more than 31 gallons.

Sec. 43.60.011. Consigned beverage inventories. The tax imposed in AS 43.60.010 may not be levied on consigned shipments of alcoholic beverages into the state if the consignments are to state licensed bonded warehouses in this state until the alcoholic beverage is removed from the warehouse for sale or

consignment to retailers.

Sec. 43.60.020. Monthly statement and payments.

(a) Each brewer, distiller, bottler, jobber, wholesaler, manufacturer, or other consignor shall submit a report to the department on or before the last day of each calendar month. The report must contain an account of the alcoholic beverages sold or consigned to buyers or consignees in the state during the preceding month, setting out

(1) the total number of gallons, including fractional gallons sold or consigned;

(2) the names and Alaska address of each buyer and consignee; and

(3) the gallonage of each kind of beverage sold or consigned to the respective buyers or consignees.

(b) The brewer, distiller, bottler, jobber, wholesaler, manufacturer, or other consignor shall pay monthly to the department, all taxes, computed at the rates prescribed in this chapter, on the respective total quantities of the classes of beverage sold or consigned during the preceding month. The monthly return shall be filed and the tax paid on or before the last day of each month to cover the preceding month.

(c) *[Repealed, Sec. 1 ch 72 SLA 1971].*

(d) *[Repealed, Sec. 1 ch 72 SLA 1971].*

(e) *[Repealed, Sec. 1 ch 72 SLA 1971].*

Sec. 43.60.030. Delinquency. *[Repealed, Sec. 3 ch 166 SLA 1976. For civil penalty, see AS 43.05.220].* Repealed or Renumbered

Sec. 43.60.040. Administration and enforcement of tax.

(a) Each brewer, distiller, bottler, jobber, wholesaler, or manufacturer is primarily liable for the payment of the excise taxes on alcoholic beverages sold, and shall furnish a good and sufficient surety bond of \$25,000 payable to the department and approved by the Department of Law. If a wholesaler fails to pay the tax to the state the wholesaler forfeits the bond and the wholesaler's license shall be revoked. The department, in its discretion, may issue permits in place of bonds to resident holders of wholesale, malt beverage, and wine licenses doing business wholly in the state who pay the tax before shipment.

(b) Upon receipt of the bond and its subsequent approval, the department shall issue a license certificate authorizing the brewer, distiller, bottler, jobber, wholesaler, or manufacturer, liable for the payment of the tax, to sell alcoholic beverages in the state or to consign shipments of alcoholic beverages to the state. It is unlawful for a brewer, distiller, bottler, jobber, wholesaler, or manufacturer to sell alcoholic beverages

in the state or to consign shipments of alcoholic beverages into the state without first furnishing the required bond and obtaining the license certificate or permit from the department. The license certificate does not constitute permission to sell alcoholic beverages in the state or to consign them to the state without having complied with other requirements of state or federal law.

(c) The retailer or buyer is secondarily liable for the taxes on alcoholic beverages that are sold to the retailer or buyer. The state has a lien upon the beverages, and may seize, confiscate, and sell them to satisfy the payment of the taxes and the costs of the proceedings, without regard to where or in whose possession the beverages are found. If the beverages are not found or not identifiable, the state may seize, confiscate, and sell an equal quantity of the same kind of beverage found in the possession of the retailer or other buyer to whom the beverages on which the taxes were not paid were sold.

(d) *[Repealed, Sec. 46 ch 113 SLA 1980].*

(e) *[Repealed, Sec. 46 ch 113 SLA 1980].*

(f) *[Repealed, Sec. 46 ch 113 SLA 1980].*

(g) A license issued under this section must include

(1) the name and address of the licensee;

(2) the nature or type of alcoholic beverage business to be conducted; and

(3) the year for which the license is issued.

(h) In this section "person" includes an officer, agent, or employee of a corporation or a member, agent, or employee of a partnership, who, as officer, agent, employee, or member, is under duty to perform the act in respect to which the violation occurs.

Sec. 43.60.050. Disposition of proceeds; alcohol and other drug abuse treatment and prevention fund.

(a) The alcohol and other drug abuse treatment and prevention fund is established in the general fund. The Department of Administration shall separately account for 50 percent of the tax collected under AS 43.60.010 and deposit it into the alcohol and other drug abuse treatment and prevention fund.

(b) The legislature may use the annual estimated balance in the fund to make appropriations to the Department of Health and Social Services to establish and maintain programs for the prevention and treatment of alcoholism, drug abuse, and misuse of hazardous volatile materials and substances by inhalant abusers under AS 47.37.030.

(c) Nothing in this section creates a dedicated fund.