

ALCOHOLIC BEVERAGES TAX

AS 43.60

Description

Alaska levies a tax on alcoholic beverages sold in Alaska. The tax is collected primarily from wholesalers and distributors of alcoholic beverages.

Rates

<i>Product</i>	<i>Current Rate Per Gallon</i>
Liquor (more than 21% alcohol)	\$12.80
Wine (21% alcohol or less)	2.50
Beer (Malt Beverages and Cider)	1.07
Beer (Small Breweries)	0.35

Returns

Taxpayers file returns and pay tax monthly. The returns and payment are due by the last day of the month following the month of sale.

Exemptions

Sales to facilities operated by one of the uniformed services of the United States are exempt.

Disposition of Revenue

The Division deposits all alcoholic beverage tax revenue into the General Fund. The Department of Administration separately accounts for 50% of the tax collected and deposits it into the alcohol and other drug abuse treatment and prevention fund.

History

The alcoholic beverage tax dates back to 1933 when the Legislature enacted a tax on beer and wine at a rate of 5¢ per gallon. Taxpayers filed alcoholic beverage tax returns monthly.

In 1937, the territorial legislature enacted a tax on liquor at a rate of 50¢ per gallon. At the same time, the rate for wine increased to 15¢ per gallon.

Since 1937, the legislature has made minor changes to the alcoholic beverage tax statutes. In addition, between 1937 and 1983, the legislature increased Alaska's tax rates to correspond with rate changes made by other states.

The legislature significantly increased the tax rates on all three alcoholic beverages effective October 1,

2002. However, this legislation allows breweries meeting the qualifications of 26 U.S.C. 5051(a)(2) (small breweries) to pay tax at the lower rate of 35 cents per gallon on the first 60,000 barrels of beer (malt beverages) sold in Alaska. At the same time, the legislature created the alcohol and other drug abuse treatment and prevention fund and directed that 50% of the alcoholic beverage tax be deposited into this fund for alcohol and drug abuse treatment programs.

Between 1937 and 2002, alcoholic beverage tax rates have changed as follows:

<i>Liquor</i>	<i>Per Gallon</i>
1937	\$.50
1941	\$1.00
1945	\$1.60
1946	\$2.00
1947	\$3.00
1957	\$3.50
1961	\$4.00
1983	\$5.60
2002	\$12.80

<i>Wine</i>	<i>Per Gallon</i>
1933	\$.05
1937	\$.15
1947	\$.25
1957	\$.50
1961	\$.60
1983	\$.85
2002	\$2.50

<i>Beer (Malt Beverages)</i>	<i>Per Gallon</i>
1933	\$.05
1947	\$.10
1957	\$.25
1983	\$.35
2002	\$1.07

<i>Beer (Malt Beverages) Produced by Small Breweries</i>	<i>Per Gallon</i>
2002	\$.35

See following page for FY 2005 Statistics.

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FY 2005 Statistics

Product	Gallons	Tax Collected
Liquor	1,252,685	\$16,034,366
Beer, Malt Beverage & Cider	13,192,217	14,115,672
Wine	1,837,976	4,594,941
Beer, Small Brewery	2,202,163	770,757
Penalties, Interest and Refunds		914
Total Tax Collected		
<i>Including Penalties, Interest & Refunds</i>		\$35,516,650
<i>Less Amt Transferred to Alcohol and Other Drug Abuse Treatment & Prevention Fund</i>		(17,758,496)
Total Tax Collections – General Fund		\$17,758,154
Number of Returns		310
Number of Taxpayers		26
Program Cost		\$191,509
Staffing (<i>full-time equivalent</i>)		3.1