



This publication is designed to provide sellers, manufacturers, and importers of alcoholic beverages with general information about California's Alcoholic Beverage Tax Program. If you have questions that are not answered in this publication, please contact us.

Definitions

Below are some key definitions for the alcohol beverage industry:

Beer

"Beer" means any alcoholic beverage obtained by the fermentation of any infusion or decoction of barley, malt, hops, or any other similar product, or any combination thereof in water, and includes ale, porter, brown, stout, lager beer, small beer, and strong beer, but does not include sake, known as Japanese rice wine. Beer may be produced using the following materials as adjuncts in fermentation: honey, fruit, fruit juice, fruit concentrate, herbs, spices, and other food materials. Beer aged in an empty wooden barrel previously used to contain wine or distilled spirits shall be defined exclusively as "beer" and shall not be considered a dilution or mixture of any other alcoholic beverage (Business and Professions Code [section 23006](#)).

Wine

"Wine" means the product obtained from normal alcoholic fermentation from sound ripe grape juice or other agricultural products containing natural or added sugar or any such alcoholic beverage which is added grape brandy, fruit brandy, or spirits of wine, which is distilled from the particular agricultural product or products the wine is made from and other rectified wine products and by whatever name and which does not contain more than 15 percent added flavoring, coloring, and blending material and alcohol by volume no more than 24 percent, and includes vermouth and sake, known as Japanese rice wine (Business and Professions Code [section 23007](#)).

Distilled Spirits

"Distilled spirits" means an alcoholic beverage obtained by the distillation of fermented agricultural products, and includes alcohol for beverage use, spirits of wine, whiskey, rum, brandy, and gin, including all dilutions and mixtures thereof. "Distilled spirits" does not include "powdered alcohol," as defined in Business and Professions Code [section 23003.1](#) (Business and Professions Code [section 23005](#)).

What is the alcoholic beverage tax?

The alcoholic beverage tax is a per-gallon excise tax collected on the sale, distribution, or importation of alcoholic beverages in California. Revenues from the tax are deposited into the Alcohol Beverage Control Fund and are withdrawn for use by the state's General Fund or used to pay refunds under this program.

The California Department of Tax and Fee Administration (CDTFA) collects the tax and administers the program on behalf of the California State Board of Equalization (BOE).

Who is required to register?

In general, you must register with us if you are required to obtain one of the following licenses issued by the [Department of Alcoholic Beverage Control](#) (ABC):

- Beer Vendor (Certificate of Compliance Holder)
- Craft Distiller
- Customs Broker
- Distilled Spirits Manufacturer's Agent
- Importer (Beer and Wine; Beer and Wine Importer's General, Brandy, and Distilled Spirits)
- Industrial Alcohol Dealer
- Manufacturer (Beer, Small Beer, Brandy, and Distilled Spirits)
- On-Sale General for Airplanes
- On-Sale General for Boats
- On-Sale General for Trains
- Public Warehouse
- Rectifier (Distilled Spirits, Wine)
- Wholesaler (Distilled Spirits, Brandy)

- Wine Blender
- Wine Direct Shipper
- Winegrower

Additionally, common carriers and holders of interstate alcoholic beverage transporters' permits, except railroads and steamship companies, must also register with us in order to transport alcoholic beverages into California.

How do I register?

To register for your alcoholic beverage account, a seller's permit, any other permit, license (cigarette, tobacco, or fuel), or account with us, visit our [Online Services](#) webpage.

If you have questions, please contact our Customer Service Center at 1-800-400-7115 (CRS:711) Monday through Friday 7:30 a.m. to 5:00 p.m. (Pacific time), except state holidays.

What are the filing requirements?

Returns

All registered beer manufacturers, beer and wine importers, winegrowers, wine direct shippers, wine blenders, and distilled spirits manufacturers and importers must file a tax return and supplemental schedule (*if applicable*) electronically on or before the 15th of the month following the reporting period.

Distilled spirits common passenger carriers selling alcoholic beverages must file a tax return electronically on or before the first day of the second month following the reporting period.

You must file a return even if you do not owe tax for the reporting period.

Reports

Reports must be filed electronically for:

- Beer vendors on or before the 10th of each month showing all shipments of beer into California during the preceding calendar month.
- Common carriers and alcoholic beverage customs brokers transporting alcoholic beverages into California on or before the 15th of each month covering deliveries made during the preceding calendar month.

- Public warehouses on or before January 15 and July 15 of each year, covering all distilled spirits held in storage, in bottled form, at the close of business on December 31 and June 30.

You must file a report even if no transactions were made.

For more information about online filing, please visit our [website](#).

You should keep a copy of your tax return or report on the licensed premises for verification by CDTFA auditors.

Penalties and interest

The following penalty charges may be assessed for filing a late return and/or late payment:

- Late-file penalty—Fifty dollars (\$50) if the tax return is not filed by the due date.
- Late-pay penalty—Ten percent (10%) of the tax amount due if the tax is not paid by the due date.
- Late-file and late-pay penalty—Ten percent (10%) or fifty dollars (\$50), whichever is greater, if the tax return is not filed and paid by the due date.

Interest also applies to late payments for each month or fraction of a month that the payment is late. (Revenue and Taxation Code [R&TC] [section 32252](#))

Who pays the tax?

The following are general applications for the alcoholic beverage tax:

Beer and wine

The excise tax on beer and wine is generally paid by manufacturers, wine growers, and importers. Sellers of beer and wine must pay the excise tax if the tax was not paid by the manufacturers, winegrowers, or importers. Beer and wine is presumed to be sold, and the alcoholic beverage tax is due when it leaves a manufacturer's facility or is removed from the internal revenue bonded premise, unless:

- It was sold and delivered in internal revenue bond to another beer manufacturer or wine grower in California.
- It was exported or sold for export and actually exported from California.
- The sale is otherwise exempt.

Distilled spirits

In general, the California excise tax on distilled spirits is paid by distilled spirits wholesalers based on sales to in-state retailers. Sellers of distilled spirits must pay the excise tax if the tax was not paid by the wholesaler.

What is the tax rate?

For information on alcoholic beverage tax rates, please visit our [Tax Rates – Special Taxes and Fees](#) webpage.

General exemptions

The following are exempt from the alcoholic beverage tax:

- Alcoholic beverages traveling through California destined for outside the state.
- Certain sales of alcohol, distilled spirits, or wine for use in trades, professions, or for industrial purposes and not for beverage purposes. (Business and Professions Code sections [23111](#), [23112](#), and [23113](#))
- Distilled spirits, beer, and wine sold for export and actually exported.
- Sales of alcoholic beverages to certain commercial carriers of persons when beverages will be used on their facilities outside California.
- Sales of distilled spirits by brandy manufacturers, distilled spirits manufacturers, rectifiers, importers, and distilled spirits wholesalers to U.S. Army, Air Force, Navy, Marine Corps, or Coast Guard exchanges, officers' clubs, noncommissioned officers' and enlisted men's clubs, or messes located in California.
- Spoiled beer or wine that has not yet been sold in California (R&TC [section 32176](#)).

Tax credits

Tax credits may be allowed for:

- Beer or wine subsequently exported outside California or destroyed; maintain documentation to support the exemption/credit. (R&TC section 32176)
- Tax-paid beer or wine that was sold in California, subsequently spoiled, and then returned to you by the wholesalers. (R&TC section 32176)

- Distilled spirits sold to certain persons holding a permit under federal law and who use the distilled spirits in food products. (R&TC [section 32214](#))

Where should records be maintained?

You must maintain your records for at least four years from the time the tax is due at your licensed premises unless we give you written authorization to keep them at another location or destroy them sooner. For additional information regarding record retention, please see [Regulation 4901](#).

How do I get more information?

If you have questions regarding this program, please contact us by:

Telephone

Customer Service Center:
1-800-400-7115 (CRS:711); from the main menu, select the option for *Special Taxes and Fees*. Customer service representatives are available Monday through Friday from 7:30 a.m. to 5:00 p.m. (Pacific time), except state holidays.

Email

www.cdtfa.ca.gov/email/

Mail

Special Taxes and Fees MIC:88
California Department of Tax and Fee Administration
PO Box 942879
Sacramento, CA 94279-0088

Industry Guides

- ▶ [Tax Guide for Beer Brewers and Distributors](#)
- ▶ [Tax Guide for Winemakers](#)
- ▶ [Tax Guide for Distillers and Distributors of Distilled Spirits](#)
- ▶ [Tax Guide for Alcoholic Beverage](#)