

**New York State Excise Tax on Beer and Wine
to Increase on May 1, 2009**

Floor tax returns must be filed by July 20, 2009

Part X-1 of Chapter 57 of the Laws of 2009 amended Article 18 of the Tax Law to increase the rates of the excise taxes on beer and wine. The excise tax rate on beer increases from \$0.11 to \$0.14 per gallon and the excise tax rate on wine increases from \$0.1893 to \$0.30 per gallon.

Part X-1 also imposes a floor tax on beer and wine held in inventory at the beginning of business on **May 1, 2009**. The floor tax is a one-time excise tax imposed in order to subject beer and wine in inventory to the increased tax rates. The increase in excise tax used to compute the floor tax for beer is **\$0.03** per gallon and for wine is **\$0.1107** per gallon.

Summary of excise tax rates

	Rate prior to May 1, 2009 (per gallon)	Excise tax increase (per gallon)	Rate effective May 1, 2009 (per gallon)
Beer	\$0.11	\$0.03	\$0.14
Wine	\$0.1893	\$0.1107	\$0.30

If a contract for the sale of beer or wine was entered into prior to May 1, 2009, and delivery under that contract is made within New York State on or after May 1, 2009, the beer or wine sold under that contract will be subject to the excise tax at the new rate in effect at the time of delivery.

Floor tax filing requirements

• Wholesalers, retailers, and other sellers of beer and wine

All wholesalers, retailers, and other sellers of beer and wine not registered as distributors (including, but not limited to, liquor stores, grocery stores, restaurants, bars, and taverns) are subject to the floor tax. They must take a physical inventory, file a floor tax return, and pay the increased tax on all beer and wine in their possession or under their control for purposes of sale as of the beginning of business on May 1, 2009.

Any wholesaler, retailer, or other seller that does **not** have beer or wine in inventory on May 1, 2009, must still file a floor tax return and indicate that **no tax is due**.

• **Manufacturers and distributors**

All manufacturers and distributors of beer and wine **must** file a floor tax return. However, manufacturers and distributors must pay the floor tax **only** on any beer and wine in their possession on May 1, 2009, on which the tax was already imposed at the prior rate (that is, beer and wine that was purchased tax-paid).

Any manufacturer or distributor of beer or wine that **does not have any tax-paid inventory** on May 1, 2009, must still file a floor tax return and indicate that **no tax is due**.

Floor tax returns

Form MT-70, *Alcoholic Beverages Floor Tax Return*, must be filed and any floor tax due must be paid on or before July 20, 2009.

If you have not received Form MT-70 prior to the due date, you may use the manual version, Form MT-70-MN, available on the Tax Department's Web site (www.nystax.gov).

Multiple locations

Any person required to file a floor tax return for more than one location must:

- Take an inventory of stock on hand at each location.
- Keep the original inventory report at each location.
- File one consolidated alcoholic beverages floor tax return including the inventory from all locations.

Annual beer return filers

To take into consideration the different excise tax rates on beer for the periods January 1, 2009, through April 30, 2009, and May 1, 2009, through December 31, 2009, beer distributors that file their excise tax returns on a calendar-year basis must file Form MT-50-SA, *Special Annual Beer Tax Return for Calendar Year 2009*, instead of Form MT-50, *Beer Tax Return*, when they file their 2009 tax return in January 2010. Form MT-50-SA will be mailed to annual beer distributors and will also be available on the Tax Department's Web site (www.nystax.gov).

NOTE: A TSB-M is an informational statement of existing department policies or of changes to the law, regulations, or department policies. It is accurate on the date issued. Subsequent changes in the law or regulations, judicial decisions, Tax Appeals Tribunal decisions, or changes in department policies could affect the validity of the information presented in a TSB-M.