

**Instructions For Distributor's
Monthly Malt Beverage
Wholesale Sales Tax and Excise
Tax Report**



General Information

Form 73A628, Distributor's Monthly Malt Beverage Wholesale Sales Tax and Excise Tax Report, shall be filed monthly by every licensee who possesses a distributor's license or microbrewery's license. Payment of the tax is due with the return.

A microbrewery licensee shall pay the excise tax on malt beverages and remit Form 73A628 to the Kentucky Department of Revenue (DOR).

A microbrewery licensee shall provide to the distributor Form 73A630, Microbrewer's Retail Gross Receipt Report to Distributor, and collect and provide the licensed distributor all taxes due under KRS 243.884.

A licensed distributor shall pay and report the tax levied by KRS 243.884 and be responsible for remitting the amounts provided by the microbrewery using Form 73A630 each month.

When to File

Form 73A628 and the tax payment are due on the twentieth (20th) day of the month following the month in which the transactions occurred.

Form 73A630 and the tax payment are due on the tenth (10th) day of the month following the month in which the transactions occurred to a licensed distributor.

Definitions

Brewer: Any person who manufactures malt beverages or owns, occupies, carries on, works, or conducts any brewery, either by himself or by his agent.

Brewery: Any place or premises where malt beverages are manufactured for sale, and includes, all offices, granaries, mash rooms, cooling rooms, vaults, yards, and storerooms connected with the premises; or where any part of the process of the manufacture of malt beverages is carried on; or where any apparatus connected with manufacture is kept or used; or where any of the products of brewing or fermentation are stored or kept.

Distributor: Any person who distributes malt beverages for the purpose of being sold at retail.

Malt beverage: Any fermented un-distilled alcoholic beverage of any name or description, manufactured from malt wholly or in part, or from any substitute for malt, and having an alcoholic content greater than that permitted.

Tax Rates

Wholesale Sales Tax: For the privilege of making "wholesale sales" or "sales at wholesale" of beer or wine a tax is hereby imposed upon all wholesalers of wine at the rate of ten and one-half of one percent (10.5%) and upon all distributors of beer at the rate of ten and one-half of one percent (10.5%) of the gross receipts of any such wholesaler or distributor derived from "sales at wholesale" or "wholesale sales" made within the Commonwealth, except as provided in KRS 243.884(2).

A microbrewery selling malt beverages in accordance to KRS 243.157(3)b and c, shall collect and provide the licensed distributor all taxes due under KRS 243.884. The tax shall be computed at the rate of ten and one-half of one percent (10.5%) of the wholesale value of the malt beverages sold by the microbrewery. "Wholesale value" shall be determined in accordance with the contract required under KRS 243.157(3).

Excise Tax: Every brewer selling, transferring or passing title to malt beverages to any person in this state other than a distributor or retailer, and every other person selling or transferring, or passing title of malt beverages to distributors, retailers, or consumers shall report and pay the tax levied by KRS 243.720(1), (2), or (3).

A microbrewery shall pay the excise tax on malt beverages in accordance with KRS 243.157(3).

Instructions for Distributor's Monthly Malt Beverage Wholesale Sales Tax and Excise Tax Report Form 73A628, page 1:

Lines 1 through 7:

Line 1: Gross receipts from sales of malt beverages (excluding container deposits and tax) sold in Kentucky during the reporting month.

Line 2: Gross receipts subject to tax from Microbrewer's Report to Distributor found on Form 73A630 line 5, submitted by the microbrewery. *For Distributors to account for the on and off premises sales of malt beverages by microbreweries, include a copy of any reports received from microbreweries with the Distributor's Monthly Malt Beverage Wholesale Sales Tax and Excise Tax Report each month.*

Line 3: Add line 1 and line 2 to get the total gross receipts subject to tax.

Line 4: Subtract any appropriate adjustments that are accounted for by returns to Kentucky retailers, sold to Kentucky distributors, exported sales and sales to agencies and instrumentalities of the federal government. Total any adjustments on line 4(e).

Line 5: Net receipts by subtracting line 4e from line 3.

Line 6: Multiply the net receipts (line 5) by ten and one-half of one percent (10.5%) to arrive at the applicable gross tax.

Line 7: Collection and reporting fee equals line 6 multiplied by one percent (1%).

Line 8: Net tax due equals line 6 minus line 7.

Line 9: Miscellaneous credits and charges that are appropriate for line 4 adjustments. Please give a brief explanation of any adjustment(s) applied on this line.

Line 10: Total wholesale sales tax due equals line 8 plus or minus line 9 adjustments.

Line 11: Total excise due calculated on page two, line 7.

Line 12: Total amount included equals line 10 plus line 11. ***Make your check payable to Kentucky State Treasurer.***

Instructions for Malt Beverage Distributor's Monthly Report—Malt Beverages Purchased From Brewers Form 73A628, page 2:

Schedule A: Subtract sales to military and breakages destroyed from purchases from brewers in each row to equal taxable purchases. Multiply taxable purchases of each volume by column 1 to calculate taxable gallons.

Part 1: Calculation of Domestic Brewer Credit

Line 1: Total gallons purchased from or produced by Kentucky brewers.

Line 2: Multiply line 1 by fifty percent (50%) to equal the domestic brewer credit rate.

Line 3: Multiply line 1 by line 2. Also, enter this amount on Part Two: Calculation of Excise Tax, line 2.

Part 2: Calculation of Excise Tax

Line 1: Total gross taxable gallons equal the sum of column 5.

Line 2: Taxable gallons from Kentucky Brewers calculated in Part 1, line 3.

Line 3: Add line 1 and line 2 to equal total taxable gallons.

Line 4: Malt beverage tax rate.

Line 5: Line 3 multiplied by line 4 to equal the malt beverage excise tax due.

Line 6: Enter in any adjustments.

Line 7: Total excise tax due equals line 5 plus or minus adjustments from line 6. Enter here and on line 11 on page 1.

Instructions for Microbrewer's Retail Gross Receipt Report to Distributor Form 73A630:

Line 1: Total gallons sold during the month.

Line 2: Total gallons sold at wholesale.

Line 3: Total gallons sold at retail equals line 1 minus line 2.

Line 4: Contract price per gallon as found on the written contract required between microbreweries and distributors per KRS 243.157. *Include a copy of the contract between the Microbrewery and Distributor(s) with initial filing and any time the contract price changes.*

Line 5: Gross receipts subject to tax equals line 3 multiplied by line 4.

Line 6: Wholesale sales tax rate of ten and one-half of one percent (10.5%).

Line 7: Line 5 multiplied by line 6 equals the net wholesale sales tax due. ***Please submit Form 73A630 and payment of the wholesale sales tax to the distributor.***

Record Retention

Each licensee under KRS 243.020 to 243.670 shall keep and maintain upon the licensed premises, or make readily available upon request of the department or the Department of Revenue, adequate books and records of all transactions involved in the manufacture or sale of alcoholic beverages, in the manner required by regulations of the department and the Department of Revenue.

All records of trafficking in alcoholic beverages must be maintained on the immediate premises of the licensee for a period of at least three (3) years.

Additional Information

Additional information is available on the Department website at www.revenue.ky.gov.

If you need assistance, you may call (502) 564-6823.