

INSTRUCTIONS FOR  
MONTHLY REPORT OF  
DISTILLERS, RECTIFIERS OR BOTTLERS

## General Information

**Form 73A525—Monthly Report of Distillers, Rectifiers or Bottlers**, shall be filed monthly by every licensee who possesses a distiller, rectifier, or bottler license.

For periods after January 1, 2022, licensed Kentucky distillers making direct sales or serving complimentary samples to consumers in their respective gift shops or other retail outlets, or at Kentucky fairs, festivals or similar events are required to report and pay the excise tax levied by KRS 243.720(1) and the wholesale sales tax levied by KRS 243.884 to the Department of Revenue using this form. All other distilled spirits produced by distilleries must be sold and physically transferred in compliance with all other relevant provisions of KRS Chapters 241 to 244.

## Payment Information

Payment of the excise tax and wholesale sales tax is due with the return. Make your check payable to Kentucky State Treasurer. If you are paying the taxes online, please indicate on the return that the tax was paid online by marking the check box provided on the return (see lines 11 and 15) and include the payment ID number received in your payment confirmation. If paying online you MUST complete two separate payments, one for excise tax and one for wholesale sales tax. To ensure proper credit, do not combine them into one payment. Mail report and payment to **Kentucky Department of Revenue, Frankfort, KY 40619**.

## When to File

Form 73A525 and the tax payment are due on the twentieth (20th) day of the month following the end of the month in which the transactions occurred accompanied by the supporting Form 73A530—Consignor's Report of Alcoholic Beverages Shipped.

## Definitions (KRS 241.010)

**“Consumer”** means a person, persons, or business organization who purchases alcoholic beverages and who: (a) Does not hold a license or permit issued by the department; (b) Purchases the alcoholic beverages for personal consumption only and not for resale; (c) Is of lawful drinking age; and (d) Receives the alcoholic beverages in territory where the alcoholic beverages may be lawfully sold or received.

**“Distilled spirits” or “spirits”** means any product capable of being consumed by a human being which contains alcohol in excess of the amount permitted by KRS Chapter 242 obtained by distilling, mixed with water or other substances in solution, except wine, hard cider, and malt beverages.

**“Distiller”** means any person who is engaged in the business of manufacturing distilled spirits at any distillery in the state and is registered in the Office of the Collector of Internal Revenue for the United States at Louisville, Kentucky.

**“Distillery”** means any place or premises where distilled spirits are manufactured for sale, and which are registered in the office of any

collector of internal revenue for the United States. It includes any United States government bonded warehouse.

**“Rectifier”** means any person who rectifies, purifies, or refines distilled spirits, malt, or wine by any process other than as provided for on distillery premises, and every person who, without rectifying, purifying, or refining distilled spirits by mixing alcoholic beverages with any materials, manufactures any imitations of or compounds liquors for sale under the name of whiskey, brandy, gin, rum, wine, spirits, cordials, bitters, or any other name.

**“Wholesale sale”** means a sale of distilled spirits made by a distiller directly to Kentucky consumers or to any person for the purpose of resale.

## Tax Rates

**Excise Tax (Per KRS 243.720 (1)):** There is levied upon the use, sale, or distribution by sale or gift of distilled spirits a tax of one dollar and ninety-two cents (\$1.92) on each wine gallon of distilled spirits, and a proportional rate per gallon on all distilled spirits used, sold, or distributed in any container of more or less than one (1) gallon, but the rate of the excise tax on spirits in retail containers of one-half (1/2) pint shall be twelve cents (\$0.12). Distilled spirits placed in containers for sale at retail, where the distilled spirits represent six percent (6%) or less of the total volume of the contents of such containers, shall be taxed at the rate of twenty-five cents (\$0.25) per gallon.

**Wholesale Sales Tax (Per KRS 243.884):** For the privilege of making “wholesale sales” or “sales at wholesale” of distilled spirits, a tax is hereby imposed upon all distillers making sales pursuant to KRS 243.0305(3), (4)(a)1. and 2., (4)(c), (7), (9), (10), and (12) at the rate of eleven percent (11%) of wholesale sales or sales at wholesale. If a wholesale price is not readily available, the distillery shall calculate the wholesale price to be seventy percent (70%) of the retail price of the distilled spirits.

## Instructions for Monthly Report of Distillers or Rectifiers Form 73A525:

Please include the following: business name, revenue account number, and corresponding period for which the transactions occurred. The revenue account number is issued by the Department of Revenue upon registration for an alcohol tax account. The revenue account number is not your Department of Revenue sales tax account number. The state license number is issued by the Department of Alcoholic Beverage Control (ABC).

## Lines 1 through 11 Distilled Spirits Excise Tax Report:

**Line 1:** Gift shop or other retail outlet sales to consumers in Kentucky – this amount is the unit quantity which was sold ONLY in the distillery gift shop or other retail outlet or transferred to the distillery gift shop or other retail outlet for sale to the end consumer. The amount reported here does not include direct shipper sales or sales to a licensed wholesaler. The total amount reported on Line 1 should match amounts reported on Form 73A530--Consignor's Report of Alcoholic Beverages Shipped.

**Line 2:** Samples taken from Kentucky inventory – these amounts should include all samples that are given at your distillery that were directly taken from distillery inventory. The amount reported on this line does not include samples taken from product that was purchased from a licensed wholesaler or previously taxed and transferred to gift shop or other retail outlet inventory.

**Line 3:** Other—this line includes sales to Kentucky consumers at fairs, festivals, and other similar types of events. This line does not include direct shipper sales or sales to a licensed Kentucky wholesaler.

**Line 4:** Net total subject to excise tax (Lines 1, 2, and 3 added together per case size).

**Line 5:** Quantities returned by consumers (complete the schedule on the back of the tax form) – this includes any product returned to distillery inventory that was previously taxed and transferred out of distillery inventory.

**Line 6:** Balance subject to excise tax (Line 4 minus Line 5).

**Line 7:** Tax rate per case (proportional tax rate for various cases listed in columns).

**Line 8:** Excise tax applicable (Line 6 multiplied by Line 7).

**Line 9:** Total excise tax due (total of all items on Line 8).

**Line 10:** Penalty and interest due.

Penalties—Failure to Pay Timely—2 percent for each 1-day to 30-day period, maximum 20 percent, minimum \$10.

**\*\*Please note,** penalties for failure to file a timely return will only be assessed once per return. See line 14 on the instructions.

Interest—Any tax not paid on or before the due date of the return (see return due date at the top of the return) shall bear interest from the date due until the date of payment. The current interest rate is 5 percent.

**Line 11:** Total amount due (add Lines 9 and 10).

**\*\*Please note,** for excise tax payments (tax type 20) made online, mark the check box under Line 11 and include the payment ID number received in your payment confirmation.

**Lines 12 through 15 Distilled Spirits Wholesale Sales Tax Report:**

**Line 12:** Gross receipts from wholesale sales of spirits to consumers in Kentucky (11% wholesale sales tax excluded)—this should be the total amount of sales at the wholesale price in which a consumer purchased the product from the distillery gift shop or other retail outlet or at the point product was transferred to the gift shop or other retail outlet for sale to the consumer, excluding the wholesale sales tax.

**Line 13:** Total wholesale sales tax due – Line 12 multiplied by the wholesale sales tax rate of 11%, this is the amount due to the Department of Revenue.

**Line 14:** Penalty and interest due.

Penalties—Failure to File a Timely Return—2 percent for each 1-day to 30-day period, maximum 20 percent, minimum \$10, regardless of

the amount of tax due or whether there is any tax due. Failure to Pay Timely—2 percent for each 1-day to 30-day period, maximum 20 percent, minimum \$10. Both penalties apply if the return is filed late and paid late.

**\*\*Please note,** penalties for failure to file a timely return will only be assessed once per return. Include failure to file a timely return penalty, if applicable, on Line 14.

Interest—Any tax not paid on or before the due date of the return (see return due date at the top of the return) shall bear interest from the date due until the date of payment. The current interest rate is 5 percent.

**Line 15:** Total amount due (add Lines 13 and 14).

**\*\* Please note,** for wholesale sales tax payments (tax type 22) made online mark the check box under Line 15 and include the payment ID number received in your payment confirmation.

**Line 16 Total Amount Due with Monthly Report of Distillers, Rectifiers or Bottlers**

**Line 16:** Total distilled spirits excise and wholesale sales tax due (add Lines 11 and 15).

**\*\*Please note,** the total amount on Line 16 should match the total amount paid by check or online.

**Supporting Schedule(s) and Form(s)**

**Form 73A525, Page 2--Schedule of Distilled Spirits Returned by Kentucky Wholesalers and Retailers/Consumers:** Returns should include name of wholesaler or retailer/consumer, date returned, and quantity returned.

**Form 73A530--Consignor's Report of Alcoholic Beverages Shipped:** This supporting document should include: the gift shop sales (quantity sold to end consumer or transferred to gift shop inventory), samples given (excludes samples taken from gift shop inventory or purchased from a licensed wholesaler), sales to Kentucky consumers at fairs, festivals, and other events (excludes product taken from gift shop inventory), and product that is sold to a wholesaler (in and out of state).

**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 of Revenue, adequate books and records of all transactions involved in the manufacture or sale of alcoholic beverages, in the manner required by 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 four (4) years.

**Additional Information**

Additional information is available on the Department of Revenue website at [revenue.ky.gov](http://revenue.ky.gov).

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