

**Instructions for Quarterly Return
of Direct Shippers of Alcohol**



GENERAL INFORMATION

Instructions for Quarterly Return of Direct Shippers Reporting of Alcohol

Form 73A550—Quarterly Return of Direct Shippers Reporting of Alcohol, shall be filed quarterly by every licensee who possesses a direct shipper license.

A direct shippers’ license authorizes the licensee to sell malt beverages, distilled spirits and wine from Kentucky manufacturers and out-of-state manufactures of alcohol from a direct shipper registered with the Kentucky Department of Revenue.

A licensed direct shipper shall pay and report the excise tax levied by KRS 243.720(3) and the wholesale tax equivalent levied by KRS 243.884.

Please include the following: business name, revenue account number, and corresponding period for which the transactions occurred. Payment of the excise tax and wholesale tax equivalent is due with the return. Make your check payable to Kentucky State Treasurer. Mail report and payment to Kentucky Department of Revenue, Frankfort, KY 40619.

WHEN TO FILE

Form 73A550 and the tax payment are due on the twentieth (20th) day of the month following the end of a quarter in which the transactions occurred accompanied by the supporting Form 73A550—Quarterly Report of Direct Shippers of Alcohol.

Quarter	Due Date
1st Quarter (Jan – Mar)	April 20th
2nd Quarter (Apr – Jun)	July 20th
3rd Quarter (Jul – Sept)	October 20th
4th Quarter (Oct – Dec)	January 20th

DEFINITIONS

“Consumer” means a person 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; (d) Receives the alcoholic beverages at a location other than a licensed premises; and (e) 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.

“Malt beverage” means any fermented undistilled alcoholic beverage of any name or description, manufactured from malt wholly or in part, or from any substitute for malt, and includes weak cider;

“Wine” means the product of the normal alcoholic fermentation of the juices of fruits, with the usual processes of manufacture and normal additions, and includes champagne and sparkling and fortified wine of an alcoholic content not to exceed twenty-four percent (24%) by volume. It includes sake, cider, hard cider, perry cider and also includes preparations or mixtures vended in retail containers if these preparations or mixtures contain not more than fifteen percent (15%) of alcohol by volume. It does not include weak cider;

“Wholesale tax equivalent” at the rate set out in KRS 243.884. If a wholesale price is not readily available, the direct shipper licensee shall calculate the wholesale cost to be seventy percent (70%) of its retail price of the alcoholic beverages sold.

Instructions for Quarterly Return of Direct Shippers of Alcohol, Form 73A550

Lines 1 through 7 DISTILLED SPIRITS TAX Calculation:

A. Distilled Spirits Excise Tax

Line 1: Total gallons of distilled spirits shipped to Kentucky end consumer during the reporting quarter (amount reported as total gallons on supporting form 73A551).

Line 2: Excise Tax Rate of Distilled Spirits \$1.92 per gallon.

Line 3: Excise Tax owed by multiplying Line 1 by Line 2.

B. Distilled Spirits Wholesale Tax Equivalent

Line 4: Total wholesale price multiplied by the total number of gallons sold per item/customer as reported on 73A551.

Line 5: Wholesale Tax Equivalent rate of 11%.

Line 6: Wholesale Tax Equivalent owed Line 4 multiplied by Line 5.

Line 7: Total Distilled Spirits Tax calculation due Line 3 plus Line 6.

Lines 8 through 14 WINE TAX Calculation:

A. Wine Excise Tax

Line 8: Total gallons of wine shipped to Kentucky end consumer during the reporting quarter (amount reported as total gallons on supporting form 73A551).

Line 9: Excise Tax Rate of Wine \$0.50 per gallon.

Line 10: Excise Tax owed by multiplying Line 8 by Line 9.

B. Wine Wholesale Tax Equivalent

Line 11: Total wholesale price multiplied by the total number of gallons sold per item/customer as reported on 73A551.

Line 12: Wholesale Tax Equivalent rate of 10%.

Line 13: Wholesale Tax Equivalent owed Line 11 multiplied by Line 12.

Line 14: Total Distilled Spirits Tax calculation due Line 10 plus Line 13.

Lines 15 through 25 MALT BEVERAGE TAX Calculation

C. Malt Beverage Excise Tax

Line 15: Total gallons of malt beverages sold and shipped to Kentucky end consumer during the reporting quarter (amount reported as total gallons on supporting form 73A552 that was marked **YES** to be produced in Kentucky) that was also **PRODUCED** in the state of Kentucky.

Line 16: Domestic Brewers credit rate (50%) of Kentucky produced malt beverages.

Line 17: Total gallons for reporting of excise tax after credit of Kentucky produced Malt Beverages. (Line 15 multiplied by Line 16).

Line 18: Total gallons of malt beverages sold and shipped to Kentucky end consumer during the reporting quarter (amount reported as total gallons on supporting form 73A552 that was marked NO to be produced in Kentucky) that was also **NOT PRODUCED** in the state of Kentucky.

Line 19: Total gallons subject to Excise Tax (Line 17 plus Line 18).

Line 20: Excise Tax Rate for Malt Beverages (.080645/gal).

Line 21: Total excise tax due for malt beverages (Line 19 multiplied by Line 20).

D. Malt Beverage Wholesale Tax Equivalent

Line 22: Total wholesale price multiplied by the total number of gallons sold per item/customer as reported on 73A552.

Line 23: Wholesale Tax Equivalent Rate of 10%.

Line 24: Malt Beverage Wholesale Tax Equivalent due (Line 22 multiplied by Line 23).

Line 25: Total Malt Beverage Tax Calculation (Line 21 plus Line 2).

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.

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.