

General Information

Form 73A638, Microbrewer's Monthly Malt Beverage Tax Report, shall be filed monthly by every licensee who possesses a microbrewery license.

Please ensure to include the following: business name, revenue account number, and corresponding period for which the transactions occurred. Payment of the excise tax and wholesale sales tax 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 73A638 and the tax payment are due on the twentieth (20th) day of the month following the month in which the transactions occurred accompanied by the supporting form 73A626 Brewer's Monthly Report. All forms are required to be submitted even if there are no transactions during the month.

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.

Wholesale sales: a sale made for the purpose of resale in the regular course of business of beer, wine or distilled spirits; or a sale of malt beverages made by a microbrewery.

Tax Rates

Excise Tax: Every brewer selling, transferring 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.

A microbrewery shall pay the excise tax on malt beverages in accordance with KRS 243.157(5)(b). There is levied upon the sale of malt beverages an excise tax of two dollars and fifty cents (\$2.50) on each barrel of thirty-one (31) gallons and a proportional rate per gallon on malt beverages sold in any container of more or less than thirty-one (31) gallons.

Each brewer producing malt beverages in this state shall be entitled to a credit of fifty percent (50%) of the tax levied on each barrel of malt beverages sold in this state.

Wholesale Sales Tax: For the privilege of making "wholesale sales" or "sales at wholesale" of beer a tax is hereby imposed upon all microbrewers selling malt beverages at the rate of ten percent (10%) of gross receipts derived from "sales at wholesale" or "wholesale sales." The gross receipts of a microbrewery making "wholesale sales" shall be calculated by determining the dollar value amount that the microbrewer would have collected had it conveyed to a distributor the same volume sold to a consumer.

Instructions for Microbrewer's Monthly Malt Beverage Tax Report Form 73A638, page 1:

Part I: Calculation of Domestic Brewer Credit:

Line 1: Total gallons produced by the microbrewer and sold at retail by the microbrewer during the reporting period.

Line 2: 50% domestic brewer credit rate.

Line 3: Multiply the total gallons produced and sold from line 1 by the domestic brewer credit rate of 50% (line 2) to calculate the total Kentucky brewer credit.

Part II: Calculation of Excise Tax:

Line 4: Enter the amount from line 3 for the total taxable gallons produced and sold at retail after the 50% domestic brewer credit.

Line 5: Multiply the total taxable gallons from line 4 by the excise tax rate of .080645 to calculate the malt beverage excise tax due.

Line 6: Enter any adjustments (attach supporting documentation).

Line 7: Add or subtract adjustments on line 6 from the excise tax due on line 5 to calculate the total malt beverage excise tax due.

Part III: Calculation of Wholesale Sales Tax:

Line 8: Enter the total amount of gallons produced by the microbrewer and sold at retail by the microbrewer during the reporting period from line 1.

Line 9: Enter the wholesale price per gallon.

Line 10: Multiply the total gallons sold at retail on line 8 by the wholesale price per gallon on line 9 to calculate the total gross receipts subject to tax.

Line 11: Multiply gross receipts on line 10 by the wholesales sales tax rate (.10) to calculate the gross tax applicable.

Line 12: Enter any adjustments (attach supporting documentation).

Line 13: Add or subtract adjustments on line 12 from the gross tax applicable on line 11 to calculate the total malt beverage wholesale sales tax.

Line 14: Add the total tax amount included from lines 7 and 13. Make your check payable to Kentucky State Treasurer.

Supporting forms

Revenue form 73A626 Brewer's Monthly Report is used to list sales of malt beverages made during the reporting period. List each sale separately and group by distributor. Include invoice date, invoice number, purchaser, and quantity sold.

Penalty & Interest

KRS 131.180(1) imposes a penalty of 2 percent of the tax, up to a maximum of 20 percent of the tax for each 30 days or fraction thereof that the report is filed late. In no case shall the penalty be less than \$10. KRS 131.180(2) imposes a penalty of 2 percent of the tax, up to a maximum of 20 percent of the tax for each 30 days or fraction thereof for failure to pay at least 75 percent of the tax by the due date. In no case shall the penalty be less than \$10.

KRS 131.183 Interest is computed on the unpaid tax due and there is no protest for imposed interest.

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 four (4) years.

Additional Information

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

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