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Public Accounts

MIXED BEVERAGE TAXES: WHAT YOU CAN EXPECT

CONGRATULATIONS ON SUCCESSFULLY OBTAINING A MIXED BEVERAGE PERMIT.

The Comptroller's office wants to make sure you are aware of your mixed beverage tax and recordkeeping responsibilities.

As a new mixed beverage permittee, the following taxes apply on the sale or service of distilled spirits, beer, wine and ale:

- you will **pay** a 6.7 percent **mixed beverage gross receipts tax** on the total amount received from the sale or service of these alcoholic beverages and on ice and nonalcoholic beverages sold or served to be mixed with an alcoholic beverage and consumed at your business; and
- you will **collect** an 8.25 percent **mixed beverage sales tax** on the total amount received for each alcoholic beverage sold or served and on ice and nonalcoholic beverages sold or served to be mixed with an alcoholic beverage and consumed at your business.

RECORDKEEPING

You must keep extensive records of your sales and services. Recordkeeping requirements are described in the **mixed beverage tax rules 3.1001** and **3.1002**.

Records include receipts and invoices (source records) for each individual sale and complimentary drink. The daily summary includes the source records for that day and additional information such as:

- alcohol that was stolen (police report required)
- alcohol that was spilled or broken (written report at time of loss required)

- alcohol used in cooking (identify on purchase invoices)
- alcohol lost in a disaster (you must report the disaster to the Comptroller)
- alcohol lost from cleaning or repair of equipment (report prepared at time loss happened or copy of repair/service invoices required)
- changes in drink prices, glass sizes, recipes, pour amounts, parties and promotions
- cover charges

You must also keep a record of **all** alcohol purchases. You are required to keep records for at least four years. You should keep records longer when you have circumstances when tax, penalty or interest could be assessed, collected or refunded or when an administrative hearing or judicial procedure is pending.



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This publication is intended as a general guide and not as a comprehensive resource on the subjects covered. It is not a substitute for legal advice.

FOR MORE INFORMATION,
SEARCH OUR WEBSITE AT
Comptroller.Texas.Gov

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Mixed beverage tax reports and payments are **due on the 20th day of the month** following the reporting month.

REPORTS, PAYMENTS AND PENALTIES

Say goodbye to paper returns and file and pay online with **WebFile**.

Mixed beverage tax reports and payments are due on the 20th day of the month following the reporting month. But, if you owe less than \$1,500 per quarter, you can ask to file and pay mixed beverage sales tax (not mixed beverage gross receipts tax) quarterly.

Both mixed beverage taxes impose penalties for late payment and late filing. If 1-30 days late, there is a penalty of 5 percent of the tax due; if more than 30 days late, the penalty is 10 percent. On the 61st day after the due date, **interest** begins.

There is also a \$50 late filing penalty on reports filed after the due date, even if no tax is owed.

If your permit allows you to sell only beer and/or wine, but not distilled spirits, do not file mixed beverage tax reports.

SECURITY REQUIREMENTS

You must post **two separate bonds** as security for the payment of both mixed beverage taxes. These bonds are in addition to conduct surety bonds required by the Texas Alcoholic Beverage Commission.

MIXED BEVERAGE SALES TAX EXEMPTION

You can accept a **Texas Sales and Use Tax Exemption Certificate (Form 01-339/back)** from a government entity, including a Texas state university or college, that states it covers purchases of alcoholic beverages.

You cannot accept an exemption certificate from a nonprofit organization because it is not exempt.

There are **no** exemptions from mixed beverage gross receipts tax.

AVOID COMMON ERRORS

- Complete all items on your tax reports. Enter “0” if you have no sales to report – do not leave blank.
- The amount of sales you report for both mixed beverage taxes should be the same, unless there was an exemption from mixed beverage sales tax during the reporting period.

You can find additional information, including the mixed beverage tax rules, forms, publications and frequently asked questions, on our Texas Taxes Web page at comptroller.texas.gov/taxes/. There are separate pages for the mixed beverage sales tax and the mixed beverage gross receipts tax.



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