

ARTICLE 7. ALCOHOLIC BEVERAGE EXCISE TAXES

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Rule 0.5. General Provisions

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45 IAC 7-0.5-1 Construction and scope

Authority: [IC 6-8.1-3-3](#); [IC 7.1-4-6-3.6](#)
Affected: [IC 7.1-4](#)

Sec. 1. Unless otherwise indicated, the regulations in this article shall apply to all alcoholic beverage excise taxes imposed by [IC 7.1-4](#). (Department of State Revenue; 45 IAC 7-0.5-1; filed Sep 7, 2016, 4:11 p.m.: [20160928-IR-045160002FRA](#))

45 IAC 7-0.5-2 Incorporation of alcohol and tobacco commission's definitions

Authority: [IC 6-8.1-3-3](#); [IC 7.1-4-6-3.6](#)
Affected: [IC 7.1-1-3](#); [IC 7.1-4](#)

Sec. 2. The definitions in [IC 7.1-1-3](#) are incorporated into this article by reference. (Department of State Revenue; 45 IAC 7-0.5-2; filed Sep 7, 2016, 4:11 p.m.: [20160928-IR-045160002FRA](#))

45 IAC 7-0.5-3 "Alcoholic beverage excise tax" defined

Authority: [IC 6-8.1-3-3](#); [IC 7.1-4-6-3.6](#)
Affected: [IC 7.1-4](#)

Sec. 3. "Alcoholic beverage excise tax" means any of the following taxes under [IC 7.1-4](#):

- (1) The beer excise tax under [IC 7.1-4-2](#).
- (2) The liquor excise tax under [IC 7.1-4-3](#).
- (3) The wine excise tax under [IC 7.1-4-4](#).
- (4) The hard cider excise tax under [IC 7.1-4-4.5](#).
- (5) The malt excise tax under [IC 7.1-4-5](#) [[IC 7.1-4-5](#) was repealed by P.L.285-2019, SECTION 57, effective July 1, 2019].

(Department of State Revenue; 45 IAC 7-0.5-3; filed Sep 7, 2016, 4:11 p.m.: [20160928-IR-045160002FRA](#))

Rule 1. Penalty for Late Remittance and Failure to File Returns

45 IAC 7-1-1	Penalty for nonpayment and failure to file a return
45 IAC 7-1-2	Notice of failure to pay (Repealed)
45 IAC 7-1-3	Penalty for nonpayment after notice (Repealed)

45 IAC 7-1-1 Penalty for nonpayment and failure to file a return

Authority: [IC 6-8.1-3-3](#); [IC 6-8.1-10-2.1](#); [IC 7.1-4-6-2.1](#)
Affected: [IC 7.1-4-6-2](#)

Sec. 1. (a) A person that is liable for the payment of any alcoholic beverage excise tax or other fee listed in [IC 7.1-4](#) is subject to the penalty imposed under [IC 6-8.1-10-2.1](#) if the person fails to:

- (1) timely remit the full tax or fee; or

(2) timely submit an alcoholic beverage excise tax return, including an information return or report, or a return showing no tax liability, and all required attachments.

(b) If a person fails to pay the full amount of tax due on or before the due date, the discount for timely payment will be disallowed. (*Department of State Revenue; Rule (7.1-4-62)-1; filed Aug 29, 1977, 2:05 p.m.: Rules and Regs. 1978, p. 807; filed Sep 7, 2016, 4:11 p.m.: [20160928-IR-045160002FRA](#)*)

45 IAC 7-1-2 Notice of failure to pay (Repealed)

Sec. 2. (*Repealed by Department of State Revenue; filed Sep 7, 2016, 4:11 p.m.: [20160928-IR-045160002FRA](#)*)

45 IAC 7-1-3 Penalty for nonpayment after notice (Repealed)

Sec. 3. (*Repealed by Department of State Revenue; filed Sep 7, 2016, 4:11 p.m.: [20160928-IR-045160002FRA](#)*)

Rule 2. Confidential Disclosure

[45 IAC 7-2-1](#) Confidential information; disclosure

45 IAC 7-2-1 Confidential information; disclosure

Authority: [IC 6-8.1-3-3](#); [IC 7.1-4-6-3.6](#)

Affected: [IC 6-8.1-7-1](#); [IC 7.1-4-6](#)

Sec. 1. (a) Unless in accordance with a judicial order, the department of state revenue, its employees, former employees, counsel, or agents, may not divulge any federal information disclosed by the documents required to be filed under this article, except to:

- (1) members, employees, and agents of the department of state revenue;
- (2) the governor, or the governor's employees;
- (3) a member or employee of the general assembly when acting on behalf of a taxpayer located in the member's legislative district who has provided sufficient information that the member or employee is acting on behalf of the taxpayer;
- (4) the attorney general or any other legal representative of the state in any action in respect to the amount of tax due under this article; or
- (5) any duly authorized officer of the United States;

when it is agreed that the information is to be confidential and to be used solely for official purposes.

(b) State information disclosed by the documents required to be filed under this article may be disclosed without a judicial order when it is agreed that the information is to be confidential and to be used solely for tax collection purposes.

(c) State information may be revealed upon the receipt of a certified request from any designated officer of the state tax department of any other state, district, territory, or possession of the United States when:

- (1) that state, district, territory, or possession permits the exchange of like information with the taxing officials of the state of Indiana; and
- (2) it is agreed that the information is to be confidential and to be used solely for tax collection purposes.

(d) This section does not apply to statistical information compiled from alcoholic beverage excise tax returns, which may be disclosed without a judicial order so long as the department does not disclose information identifying any taxpayer. (*Department of State Revenue; Alcoholic Beverage Tax Reg 7.1-4-6-1 to 7.1-4-6-8; filed Oct 29, 1979, 3:00 p.m.: 2 IR 1722; filed Sep 7, 2016, 4:11 p.m.: [20160928-IR-045160002FRA](#)*)

Rule 3. Beer Excise Tax Refund

- [45 IAC 7-3-1](#) Eligibility for refund (Repealed)
- [45 IAC 7-3-2](#) Filing refund claim (Repealed)
- [45 IAC 7-3-3](#) Monthly report breakdown (Repealed)
- [45 IAC 7-3-4](#) Production and sales reports to substantiate claim (Repealed)
- [45 IAC 7-3-5](#) Wholesaler refund requirements (Repealed)

[45 IAC 7-3-5.5](#)
[45 IAC 7-3-6](#)

Deduction and refund requirements
Proof required to receive deduction or refund for exempt alcoholic beverages sold or withdrawn for sale

45 IAC 7-3-1 Eligibility for refund (Repealed)

Sec. 1. (Repealed by Department of State Revenue; filed Sep 7, 2016, 4:11 p.m.: [20160928-IR-045160002FRA](#))

45 IAC 7-3-2 Filing refund claim (Repealed)

Sec. 2. (Repealed by Department of State Revenue; filed Sep 7, 2016, 4:11 p.m.: [20160928-IR-045160002FRA](#))

45 IAC 7-3-3 Monthly report breakdown (Repealed)

Sec. 3. (Repealed by Department of State Revenue; filed Sep 7, 2016, 4:11 p.m.: [20160928-IR-045160002FRA](#))

45 IAC 7-3-4 Production and sales reports to substantiate claim (Repealed)

Sec. 4. (Repealed by Department of State Revenue; filed Sep 7, 2016, 4:11 p.m.: [20160928-IR-045160002FRA](#))

45 IAC 7-3-5 Wholesaler refund requirements (Repealed)

Sec. 5. (Repealed by Department of State Revenue; filed Sep 7, 2016, 4:11 p.m.: [20160928-IR-045160002FRA](#))

45 IAC 7-3-5.5 Deduction and refund requirements

Authority: [IC 6-8.1-3-3](#); [IC 7.1-4-2-8](#); [IC 7.1-4-6-3.6](#)
Affected: [IC 6-8.1-9-1](#); [IC 7.1-4-2-8](#); [IC 7.1-4-3-5](#); [IC 7.1-4-4-6](#); [IC 7.1-4-4.5](#)

Sec. 5.5. (a) A person may claim a deduction on the monthly return required to be filed under 45 IAC 7-5-1 for alcoholic beverages under the following circumstances:

- (1) the person sold or withdrew for sale an alcoholic beverage to an exempt entity under 45 IAC 7-6-1;
- (2) an alcoholic beverage was damaged or destroyed while in the person's possession; or
- (3) an alcoholic beverage was returned by the person to the primary source of supply;

so long as the person submitted proof as required under section 6 of this rule.

(b) If this deduction exceeds the liabilities owed to the state on that monthly return, the department shall refund the tax to the person.

(c) If the person does not claim the deduction on the monthly return, the refund procedures under [IC 6-8.1-9-1](#) will apply.

(d) The tax paid on alcoholic beverages subsequently lost or stolen cannot be deducted, refunded, or credited. (Department of State Revenue; 45 IAC 7-3-5.5; filed Sep 7, 2016, 4:11 p.m.: [20160928-IR-045160002FRA](#))

45 IAC 7-3-6 Proof required to receive deduction or refund for exempt alcoholic beverages sold or withdrawn for sale

Authority: [IC 6-8.1-3-3](#); [IC 7.1-4-2-8](#); [IC 7.1-4-6-3.6](#)
Affected: [IC 7.1-4-2-8](#); [IC 7.1-4-3-5](#); [IC 7.1-4-4-6](#); [IC 7.1-4-4.5](#)

Sec. 6. In order to claim a deduction or receive a refund of an alcoholic beverage excise tax, the following proof must be retained:

- (1) For an exempt sale under 45 IAC 7-6-1, the following:
 - (A) If the sale is to the United States government, its agencies, or its instrumentalities, copies of the invoice stating the regular selling price less the excise tax.
 - (B) If the sale is to a person other than the United States government, its agencies, or its instrumentalities, copies of the

invoice showing:

- (i) purchaser's name;
- (ii) address;
- (iii) date;
- (iv) amount of beer sold; and
- (v) either:
 - (AA) a waybill, bill of lading, or other evidence of shipment issued by a common carrier; or
 - (BB) a trip sheet, acceptable by the department, supported by a properly notarized export shipping form supplied by the department.

(2) For returned alcoholic beverages, copies of the invoice or invoices showing the following:

- (A) Primary source of supply's name.
- (B) Credit invoice number.
- (C) Date returned.
- (D) Date excise tax was paid.
- (E) Gallons returned.

(3) For alcoholic beverages that have been damaged or destroyed, any information reasonably required by the department.

(Department of State Revenue; 45 IAC 7-3-6; filed Aug 31, 1983, 9:49 a.m.: 6 IR 1901; filed Sep 7, 2016, 4:11 p.m.: [20160928-IR-045160002FRA](#))

Rule 4. Imposition of Tax

[45 IAC 7-4-1](#)

Persons responsible for tax payment

[45 IAC 7-4-2](#)

Samples

45 IAC 7-4-1 Persons responsible for tax payment

Authority: [IC 6-8.1-3-3](#); [IC 7.1-4-6-3.6](#)

Affected: [IC 7.1-4](#)

Sec. 1. (a) Except as otherwise provided in [IC 7.1-4](#), the following permit holders are required to collect the specific alcohol excise taxes on the first sale or withdrawal for sale of an alcoholic beverage within Indiana:

(1) The persons liable for the beer excise tax are governed by [IC 7.1-4-2-2](#).

(2) A permittee listed in [IC 7.1-4-3-2](#) is liable for the collection and payment of the liquor excise tax.

(3) A permittee listed in [IC 7.1-4-4-3](#), as well as a direct wine seller, is liable for the collection and payment of the wine excise tax.

(4) A permittee listed in [IC 7.1-4-4.5-3](#) is liable for the collection and payment of the hard cider excise tax.

(5) A permittee listed in [IC 7.1-4-5-2](#), [[IC 7.1-4-5](#) was repealed by P.L.285-2019, SECTION 57, effective July 1, 2019.] is liable for the collection and payment of the malt excise tax.

(b) The taxes listed in subsection (a) are imposed on the sale or gift, or withdrawal for sale or gift, to a person of an alcoholic beverage subject to that tax, regardless of whether or not the person purchasing the alcoholic beverage is authorized to purchase or receive it.

(c) The alcoholic beverage subject to the taxes shall be taxed only once, at the first sale or withdrawal for sale, in the following manner:

(1) When a primary source of alcohol located within the state of Indiana sells, or withdraws for sale, alcohol to a person in Indiana, the primary source of alcohol is responsible for paying the alcoholic beverage excise tax.

(2) When a wholesaler located within Indiana receives alcohol from a primary source of alcohol not located within Indiana, the wholesaler located within Indiana is responsible for paying the alcoholic beverage excise tax.

(3) When a permit holder sells, or withdraws for sale, alcohol directly to a retailer or consumer, the permit holder is responsible for paying the tax.

(Department of State Revenue; 45 IAC 7-4-1; filed Sep 7, 2016, 4:11 p.m.: [20160928-IR-045160002FRA](#))

45 IAC 7-4-2 Samples

Authority: [IC 6-8.1-3-3](#); [IC 7.1-4-6-3.6](#)

Affected: [IC 7.1-3-2-7](#); [IC 7.1-3-9-11](#); [IC 7.1-3-10-13](#); [IC 7.1-3-12-5](#); [IC 7.1-3-14-7](#); [IC 7.1-3-27](#)

Sec. 2. (a) If a permit holder responsible for the alcoholic beverage excise tax is authorized to sell samples, the permit holder is responsible for payment of the appropriate tax on those samples, even if the sample is complimentary and the permit holder does not charge the customer for the sample.

(b) Sample sizes and restrictions are found in 905 IAC 1-5.2-9.2, which is incorporated herein by reference. (*Department of State Revenue; 45 IAC 7-4-2; filed Sep 7, 2016, 4:11 p.m.: [20160928-IR-045160002FRA](#)*)

Rule 5. Monthly Reports

[45 IAC 7-5-1](#)

Monthly reports

[45 IAC 7-5-2](#)

Primary source reporting

45 IAC 7-5-1 Monthly reports

Authority: [IC 6-8.1-3-3](#); [IC 7.1-4-6-3.6](#)

Affected: [IC 7.1-4-6-3.5](#)

Sec. 1. (a) If a person is liable for the payment of a tax under [IC 7.1-4](#) and this article, the person must file a monthly return in an electronic format with the department on or before the twentieth day of the month following the month in which the liability for the tax accrues by reason of the manufacture, sale, gift, or the withdrawal for sale or gift, of alcoholic beverages within this state.

(b) Payment of the excise tax due shall accompany the return in an electronic format. (*Department of State Revenue; 45 IAC 7-5-1; filed Sep 7, 2016, 4:11 p.m.: [20160928-IR-045160002FRA](#)*)

45 IAC 7-5-2 Primary source reporting

Authority: [IC 6-8.1-3-3](#); [IC 7.1-4-6-1](#); [IC 7.1-4-6-3.6](#)

Affected: [IC 7.1-4-6-3.6](#)

Sec. 2. (a) Primary source suppliers are required to file monthly reports of alcoholic beverage sales into Indiana in an electronic format prescribed by the department.

(b) The department may request on the report any information it considers reasonably necessary. (*Department of State Revenue; 45 IAC 7-5-2; filed Sep 7, 2016, 4:11 p.m.: [20160928-IR-045160002FRA](#)*)

Rule 6. Exemptions

[45 IAC 7-6-1](#)

Exemptions from alcoholic beverage excise tax

45 IAC 7-6-1 Exemptions from alcoholic beverage excise tax

Authority: [IC 6-8.1-3-3](#); [IC 7.1-4-6-3.6](#)

Affected: [IC 7.1-4-2-8](#); [IC 7.1-4-3-5](#); [IC 7.1-4-4-6](#)

Sec. 1. (a) Sales or withdrawals for sale of alcoholic beverages intended for export to a state outside Indiana are exempt from alcoholic beverage excise tax.

(b) Sales or withdrawals of alcoholic beverages for sale to the United States government, its agencies, and instrumentalities, including military facilities, are exempt from alcoholic beverage excise tax; however, sales to individuals, private stores, or concessionaires located upon federal areas are not exempt.

(c) Sales or withdrawals for sale of wine to a pastor, rabbi, or priest for sacramental or religious purposes only are exempt from the liquor excise tax ([IC 7.1-4-3](#)) and the wine excise tax ([IC 7.1-4-4](#)).

(d) Lost or stolen alcoholic beverages are not exempt from alcoholic beverage excise tax. (*Department of State Revenue; 45 IAC 7-6-1; filed Sep 7, 2016, 4:11 p.m.: [20160928-IR-045160002FRA](#)*)

ALCOHOLIC BEVERAGE EXCISE TAXES

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