LEGAL BULLETIN

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Table Wine Act

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Table Wine Act

The 1980 Regular Session of the Alabama Legislature adopted Act No. 80-382, which allows the sale of table wine at retail in all wet counties in the state by retailers licensed by the state Alcoholic Beverage Control Board. The Alabama Table Wine Act is codified at Ala. Code § § 28-7-1 through 28-7-24 (1975).

State Wine Tax

Ala. Code § 28-7-16, levies a tax of 45 cents per liter of table wine sold to the wholesale licensee or ABC Board, to be collected from the purchaser by the Board or the licensed retailer. Act 2026-512, codified in relevant part at Ala. Code § 28-4A-61, extends this same tax to small craft winery licensees in addition to wholesalers. The distribution of the 45-cent tax is as follows:

- The State Treasury receives 38 cents per liter of table wine sold, the tax to be remitted by the wholesale licensee or the Board to the State Treasury.
- If the table wine is sold at retail within the corporate limits of a municipality, 7 cents per liter of table wine sold is to be remitted by the Board or the wholesale licensee to the municipality.
- If the table wine is sold at retail outside the corporate limits of the municipality, the 7 cents per liter of table wine sold is to be remitted to the county governing body.

Ala. Code § 28-7-16 (1975). If the sale is made at retail by the ABC Board, the Board will send the municipality a check for its share of the state tax. Ala. Code § 28-7-16 (1975).

If the sale is made in the corporate limits of a municipality by a retailer, the wholesaler is required to remit the tax owed to the municipality. The law requires the wholesaler to remit to the municipality a return not later than the 15th day of each month showing sales in the municipality by the wholesaler during the preceding month. The wholesaler will remit the municipality's share of the tax when the return is filed. Ala. Code § 28-7-16 (1975).

The League recommends that every municipality located in a wet county adopt a form which can be used by wholesalers who service retailers selling table wine in the corporate limits of the municipality. A sample form is included in this bulletin.

Application of City Sales Tax to Table Wine Sales

Ala. Code § 28-7-16, states that the tax on table wine is exclusive and is intended to be in lieu of all other and additional taxes of the state, county, or municipality, imposed on or measured by the sale of table wine. However, the law provides that state, county and municipal sales taxes can be collected on retail sales of table wine.

Retail sales of table wine made by ABC Stores are **not** subject to regular state, county or municipal sales taxes. However, a 2 percent state sales tax on sales made by ABC Stores is applicable. Revenues from this special tax are distributed to counties and municipalities in which the sales are made. *See* Ala. Code §§ 28-3-280 through 28-3-286 (1975).

Business Licenses

Ala. Code § 28-7-13, states that counties and municipalities in which a table wine wholesaler, importer, or retailer sells or distributes table wine may fix a reasonable privilege license tax on a table wine wholesaler, importer or retailer located therein, conditioned on a permit or license being issued by the ABC Board. However, the law provides that such county or municipal licenses shall not exceed one-half the amount of the state license fee for like privileges. Ala. Code § 28-7-13 (1975). The state license fees are:

- Table Wine Wholesaler – $550 per year
- Table Wine Importer – $500 per year
- Table Wine Retailer – $150 per year

The maximum license a municipality can charge is one-half of the above amounts.

Further, if the business license applicable to merchants who sell table wine as part of their merchandise is based upon the total gross receipts of the business, the gross receipts derived from the sale of table wine should be deducted from the gross receipts of the business in determining the merchant's business license.

Sample Table Wine Tax Report

City of _____
STATE TABLE WINE TAX REPORT
Date: _____

Name of Firm: _____
Address of Firm: _____
For month of _____**, 20**_____
NOTE: All computations will be by number of liters processed and sold.

1	Inventory Beginning of Month	
2	Received During Month	
3	Total Inventory During Month (Lines 1 + 2)	
4	Inventory End of Month	
5	Total Sold During Month (Line 3 minus line 4)	
6	Sales Outside City	
7	Military Sales	
8	Other Exemptions	
9	Total Exemptions (Total lines 6-8)	
10	Taxable Sales (line 5 minus line 9)	
11	Tax Due (line 10 multiplied by .07)	
12	Penalty	
13	Total Amount Due City (remit with return)	

Make checks payable to _____
City of _____

I hereby certify that the foregoing is a full and true report as stated.
Firm: _____
By: _____