

TO: ALL § 19C (Farmer-Brewer) Licensees
ALL § 19D (Pub-Brewer) Licensees
ALL § 19E (Farmer-Distillery) Licensees
ALL § 19F (Winery Shipment) Licensees

FROM: KIM S. GAINSBORO, CHAIRMAN

RE: NEW SALES TAX ON RETAIL ALCOHOLIC BEVERAGE SALES IN MASSACHUSETTS EFFECTIVE AUGUST 1, 2009.

DATE: July 24, 2009

As a result of recent amendments to the laws of the Commonwealth of Massachusetts (Chapter 27 of the Acts of 2009, §§ 53, 55-57, 59), effective August 1, 2009, all alcoholic beverages sold at retail in Massachusetts will be subject to a 6.25% sales tax unless the buyer supplies a Form ST-4, Sales Tax Resale Certificate. In addition, every licensee holding a license pursuant to §§ 19C, 19D, 19E or 19F must:

- register with the Massachusetts Department of Revenue
- collect and pay sales or use tax
- file sales or use tax returns
- report alcoholic beverages sales to the Massachusetts Department of Revenue as part of its yearly taxable gross receipts.

Pursuant to M.G.L. c. 138, the Liquor Control Act, retail licensees do not have the authority to sell alcoholic beverages to other retail licensees. The new changes to the sales tax law do not alter or amend the existing prohibitions and restrictions in the Liquor Control Act. In order for a retail licensee to be exempt from paying the new sales/use tax on the inventory of alcoholic beverages purchased for re-sale to a consumer, the retail licensee MUST register, apply for, and receive a Form ST-4 from the Massachusetts Department of Revenue. If the retailer/buyer does not present the Form ST-4 to the seller, the seller must charge the retailer/buyer the new sales/use tax of 6.25%.

All licensees should ensure that they are in compliance with the laws of the Commonwealth of Massachusetts. M.G.L. c. 138, § 64. Licensees are reminded that each new application and renewal application requires the applicant, under M.G.L. c. 62C, § 49A, to certify that all state tax returns have been filed and all state taxes have been paid.

Questions concerning this Notice and the new sales tax law may be directed to the Massachusetts Department of Revenue at 617-887-MDOR or toll-free in Massachusetts at 800-392-6089. Licensees with questions about the Liquor Control Act should contact the Alcoholic Beverages Control Commission at 617-727-3040. For more information, please visit our website at www.mass.gov/abcc.