



County Technical Assistance Service
INSTITUTE *for* PUBLIC SERVICE

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Alcoholic Beverage Tax

Dear Reader:

The following document was created from the CTAS website (ctas.tennessee.edu). This website is maintained by CTAS staff and seeks to represent the most current information regarding issues relative to Tennessee county government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other CTAS website material.

Sincerely,

The University of Tennessee
County Technical Assistance Service
226 Anne Dallas Dudley Boulevard, Suite 400
Nashville, Tennessee 37219
615.532.3555 phone
615.532.3699 fax
www.ctas.tennessee.edu

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Alcoholic Beverage Tax

Reference Number: CTAS-1626

Authority. T.C.A. §§ 57-3-301 through 57-3-308.

Description. This tax is on the sale or distribution by sale or gift of wine, beer and distilled spirits with an alcoholic content of more than 5 percent by weight. T.C.A. § 57-3-301.

Rate: \$1.21 per gallon (32 cents per liter) of wine and \$4.40 per gallon (\$1.17 per liter) of distilled spirits. T.C.A. § 57-3-302. Notwithstanding T.C.A. § 57-3-302, the state tax on intoxicating liquor or alcoholic beverages with an alcoholic content of seven percent (7%) or less shall be one dollar and ten cents (\$1.10) per gallon and no identification stamps shall be required to be fixed to the retail container of such alcoholic beverage. T.C.A. §§ 57-3-303(l) and 57-3-308.

Distribution. The tax is distributed as follows:

1. Any county where a distillery is located receives four cents (4¢) per liter of the tax imposed on the sale of distilled spirits.
2. Except for the distribution as provided in (1), eighty-two and one-half percent (82.5 %) of the proceeds of this tax to the state general fund.
3. Except for the distribution as provided in (1), seventeen and one-half percent (17.5%) of the proceeds of this tax to counties (general fund) as follows:
 - a. Seventy-five (75%) percent of this amount is apportioned according to county population.
 - b. Twenty-five percent (25%) of this amount is apportioned according to county area.
 - c. However, thirty percent (30%) of the amount distributed to counties with a population of more than 250,000 is distributed to cities in the county with population over 150,000. T.C.A. § 57-3-306.

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