

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF TAX AND REVENUE



2011 Sales Tax Law Change

OTR Tax Notice 2011-01

June 29, 2011

Sales Tax Increase on Alcoholic Beverages

Off Premise Alcoholic Beverages

Effective July 1, 2011, vendors shall collect a sales tax of 10 percent on the sale of alcoholic beverages for **off premises** consumption. This charge is an increase of one percent over the nine percent sales tax currently charged.

Off-premise alcoholic beverage is defined as spirits, wine and beer sold at a licensed establishment, **other than** a restaurant, tavern, nightclub, hotel, club, or multipurpose facility.

Procedures for Remitting the Additional Alcoholic Beverage Sales Tax

Revised booklets will not be mailed before new booklets are issued for the fiscal year beginning October 1, 2011.

The new tax rate will be reflected on revised FR-800M, FR800Q, and FR800SE forms that will be available before the end of July on OTR's website at www.taxpayerservicecenter.com.

Taxpayers may also use the forms in their existing sales tax booklet. The 10 percent tax on sales of alcoholic beverages can be reported on Line 4, "Sales and Purchases Taxable at 9 percent" but must be calculated at the 10 percent rate. **Do not use Line 5.** Line 5 is not for off premise alcoholic beverages. If the correct rate is not used for amounts reported on Line 4, taxpayers will be billed for the difference.

For additional information, please contact OTR's Customer Service Center at (202) 727-4TAX (4829).