

ALCOHOL PRIVILEGE TAX FREQUENTLY ASKED QUESTIONS

WHAT IS A PRIVILEGE TAX?

Oregon assesses a tax on the privilege of making malt beverages, wine, or cider in Oregon or shipping or importing malt beverages, wine, or cider into Oregon. This is called a privilege tax.

WHAT IS A PRIVILEGE TAX BOND?

This is a bond that makers of malt beverages, wine, or cider in Oregon and shippers and importers of malt beverages, wine, or cider into Oregon are required to obtain. It allows the OLCC to collect payment if the privilege taxes are not paid.

IS THERE AN EXEMPTION FROM THE PRIVILEGE TAX BOND REQUIREMENT?

- OLCC may waive the privilege tax bond requirement for licensees and permit holders who meet specific criteria.

WHO IS RESPONSIBLE FOR FILING PRIVILEGE TAX REPORTING DOCUMENTS WITH THE OLCC AND PAYING THE PRIVILEGE TAX?

- Malt beverages, wine, and cider manufactured in Oregon. The Oregon licensee who removed the product from federal bond is responsible for reporting and paying the privilege tax to the OLCC.
- Imported or shipped into Oregon.
 - Malt beverages, wine, and cider received in Oregon by an Oregon brewery, grower sales privilege, warehouse, wholesale malt beverage and wine, or winery licensee: The first Oregon licensee who received the product from out of state is responsible for both reporting and paying the privilege tax.
 - Wine or cider sent into Oregon by the holder of a Wine Self-Distribution (WSD) permit direct to a qualifying retail licensee: The WSD holder is responsible for both reporting and paying the privilege tax.
 - Wine or cider received by a qualifying Oregon retail licensee direct from a WSD: The Oregon retail licensee is responsible for reporting requirements.
 - Malt beverages, wine, and cider sent into Oregon by the holder of a Direct Shipper (DS) permit direct to an Oregon consumer: The holder of the DS is responsible for both reporting and paying the privilege tax.
 - Malt beverages, wine, and cider sent into Oregon by the holder of a Certificate of Approval (CERA) direct to an Oregon brewery, grower sales privilege, warehouse, wholesale malt beverage and wine, or winery licensee: The holder of the CERA is responsible for reporting requirements.



For more information contact:

The Privilege Tax Team at:

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For more information on the bond requirement please email:

Olcc.bonds@oregon.gov



OLCC's mission is to support businesses, public safety and community livability through education and the enforcement of liquor and marijuana laws.

WHEN AM I REQUIRED TO FILE PRIVILEGE TAX REPORTING DOCUMENTS WITH THE OLCC?

- Wineries, Growers Sales Privilege, and Warehouse
 - Annually, if no tax is due for the entire year.
 - Monthly, if a tax liability exists in any month of the year.
- Breweries, Brewpubs, Wholesale Malt Beverage and Wine, CERA, DS, and WSD
 - Monthly
- Qualifying retail licensees receiving wine or cider directly from a WSD
 - Monthly.
 - However, Full On-Premises or Limited On-Premises licensee who receives two or fewer cases of wine directly from a WSD has no reporting requirement.

DO I NEED TO FILE PRIVILEGE TAX REPORTING DOCUMENTS WITH THE OLCC EVEN IF THERE WAS NO ACTIVITY DURING THE REPORTING PERIOD?

Yes. The privilege tax statement and inventory schedule are required even when the licensee has no activity. Other schedules are not required.

IS THERE AN EXEMPTION TO PAYING THE PRIVILEGE TAX?

ORS 473.050 addresses when privilege taxes are not imposed. Here are the primary scenarios:

- Malt beverages, wine, or cider exported from Oregon. Export credit can be taken by the manufacturer or distributor who originally paid the privilege tax. The export credit can be taken in the month the product leaves Oregon.
- The first 40,000 gallons, or 151,000 liters, of wine sold annually in Oregon from a United States manufacturer of wines producing less than 100,000 gallons, or 379,000 liters, annually. This is also known as the "small winery exemption."