

**ALABAMA DEPARTMENT OF REVENUE - SALES AND USE TAX RULES**  
**Code of Alabama 1975, Sections 40-23-31 and 40-23-83**

**810-6-1-.190. Whiskey tax.**

(1) Code of Alabama 1975, as amended, levies a total tax of 56 percent upon the selling price of all spirituous and vinous liquors sold by the Alabama ABC Board. Section 28-3-203 levies a 13 percent tax; Sections 28-3-200, 28-3-201, 28-3-202, and 28-3-205 each levy a 10 percent tax; and Section 28-3-204 levies a 3 percent tax for the total 56 percent tax.

(2) Each of the above Code Sections provides that the tax shall be collected by the Board from the purchaser at the time the purchase price is paid, it being the intention that the said tax shall be passed on to the purchaser. Therefore, the tax is not a part of the purchase price paid to the ABC Board and should not be included in the measure of the state sales tax due on retail sales by the Board.

(3) The operator of a bar, tavern, or restaurant who sells alcoholic drinks purchases the liquors from the ABC Board at wholesale and pays the 56 percent liquor tax to the Board based on the selling price. The sales tax is not due on such purchases, since they are purchases for resale. Subsequent sales of drinks by the bar, tavern, or restaurant operator are subject to the state sales tax. The measure of the tax is the total amount received for the drinks. The tax paid to the ABC Board in such cases becomes another overhead business expense to the retailer which he can take into consideration, together with other business expenses, in determining the selling price of each drink. He cannot collect the liquor tax from his purchaser as a tax; therefore, the total selling price is subject to state sales tax at the general rate. (Adopted November 3, 1980, readopted through APA effective October 1, 1982, amended July 7, 1989)