

Questions & Answers About Alcohol Excise Tax Changes

Q. What is an Alcohol Excise Tax?

A. An excise tax is a tax directly levied on certain goods by a state or federal government. The most prominent excise taxes collected by the State of Georgia are the fuel tax on gasoline and the so-called "sin tax" collected on cigarettes and alcoholic beverages. Excise taxes are also charged on liquor by the drink.

Georgia Alcohol Taxes are collected by the wholesaler at the time of delivery to the retailer. The wholesaler remits all taxes collected to the Department of Revenue.

Q. Do I need to complete this form?

A. Any Alcohol Licensee who sells liquor within the City Limits of Duluth is required to submit [this form](#) and send payment to the City by the 10th day of each month.

Q. The interest rate for being late was 1% of the tax due and now it is .563%. Why did this change?

A. Code Section 3, 48-2-40 of Georgia State House Bill 960 became effective on July 1, 2016. This change states the annual interest rate will be based on the Federal Reserve Board's Prime Rate as of the first business day of each year, plus three percent (3%), and will accrue monthly from the date the tax is due.

Q. What are the new penalties for late payments?

A. Late fees will continue to be assessed but are now 5% at 120 days late. In accordance with this law revising subsection (b) of Code Section 48-2-44, relating to penalties and interest on failure to file a return or timely pay taxes held in trust for the state, the change affects when the penalty can be charged and what percent will be used to calculate the late fee. The law states in part:

The penalty will not begin until after 120 days at 5% rate. No matter when funds are paid, the penalty cannot be more than 20% of the principal amount of the tax that was originally due.

Q. What happens if I don't report or pay my excise tax for two or three months?

A. The Alcohol Officer for the City of Duluth will contact the Licensee within the first month of delinquency. The business may be subject to an audit by the Duluth City Clerk, which is why accurate record-keeping and timely payments are essential. Delinquent accounts are subject to both interest and penalties, and non-payment of fees due are taken into consideration during each annual license renewal cycle.