

**STATE OF KANSAS**

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**DEPARTMENT OF REVENUE**

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Division of Alcoholic Beverage Control

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**ABC Notice – Liquor Tax Compliance**

Dear Licensee,

In our July 2001 Industry Bulletin we included a lengthy article titled “Voluntary Tax Compliance is the Goal.” We discussed the issues of taxes, penalties, interest and administrative action pertaining to delinquent accounts. Liquor drink and enforcement excise taxes are due as of the 25<sup>th</sup> of the month following the month of activity. The fact that we are addressing this issue again should inform licensees there are still numerous problems with filing and remitting liquor taxes. The intent of this follow up is to inform licensees what actions we are taking to ensure compliance with these tax payments.

Licensees who fail to timely file or remit taxes will be identified in the system and will be cited administratively. Failure to pay delinquent taxes, interest and penalty, as well as associated administrative fines, will result in an indefinite suspension or revocation of their license. In certain situations, it may lead to demands made on bonds and/or liquor and property being seized to cover the debt to the state.

If at license renewal time, licensees are still operating and taxes are due, the full amount of taxes due, along with penalty, interest and an administrative fine will be due in its entirety prior to the renewal license being issued. Only in rare instances will pay plans be established for previous failures to file and remit liquor taxes. Licensees will have the right to request a hearing on these matters provided the request is sought in accordance with administrative procedures.

Again, ABC and the Department of Revenue, in accordance with Kansas statutes and regulations, have established procedures to ensure licensees are properly reporting, filing and remitting the taxes they collect on liquor. Licensees are encouraged to follow established procedures and make all deadlines, thereby preventing penalties, interest or fines from accumulating. Eventually a lack of compliance in this area will result in a denied renewal license, a revocation of a license and/or possible seizure actions.

Also mentioned in the July 2001 “Bulletin”, was the fact that, in the very near future, licensees required to pay the liquor drink tax will be able to have their drink tax bonds released if they meet the definition of remaining in good standing for a period of 24 consecutive months. This option will reward those licensees who comply with the liquor drink tax laws. For more information on this topic, the bulletin may be viewed via our website at the address identified above.

We appreciate your attention to this matter.

Sincerely,

R.G. Longino

Director  
Alcoholic Beverage Control Division