Kansas Administrative Regulations

Kansas Department of Revenue—Division of Alcoholic Beverage Control

Article 7.—Tax and Tax Stamps; Crowns and Lids

14-7-4. Alcoholic liquor and cereal malt beverage; payment of tax; bond required.

(a) The tax on alcoholic liquor and cereal malt beverage, as levied by the act and payable by a distributor, shall be paid by the distributor on or before the 15th day of the calendar month succeeding the month in which the distributor acquires possession of any alcoholic liquor upon which the tax has not been paid. The payment shall be by check and shall be accompanied by a report to the director, upon forms to be furnished by the director. The report shall show separately the exact total amount, in gallons or in fractions of gallons, of the following types of alcoholic beverages received by the distributor during the preceding month:

(1) Wine containing 14% or less of alcohol by volume;

(2) Wine containing more than 14% of alcohol by volume;

(3) Alcohol and spirits;

(4) Beer, containing more than 3.2% alcohol by weight; and

(5) Cereal malt beverages, containing 3.2% or less alcohol by weight.

(b) Any sheriff who possesses alcoholic liquor, except beer, that is to be sold under an order of a court which has jurisdiction and upon which the tax has not been paid, shall file a report that provides the description and the amount of all alcoholic liquor to be sold. The report shall be filed on forms furnished by the director. The tax due and owing upon the liquor shall be paid out of the money received by the sheriff at the sale. The tax shall be remitted with the report, by cash, certified check, bank draft, post office or express money order.

(c)(1) Each licensed distributor shall furnish a bond payable to the director for the term of the license of the distributor. The bond shall be in a penal sum fixed and in a form approved by the director, shall be executed by the distributor as principal and by a corporate surety authorized to do business in the state of Kansas as surety and shall be conditioned upon the payment of the tax and penalties imposed by the act and this regulation upon such distributor.

(2) Any distributor may furnish, in lieu of this required bond, one or more certificates of deposit, corporate stock certificates, revenue bonds, or similar forms of collateral in the required amount. The collateral shall be deposited in an escrow account to be held by any recognized professional escrow agent. The escrow agreement shall be submitted upon a form provided by the director. All escrow agreements shall be subject to the director's approval.

(3) The amount of the bond shall be fixed by the director as follows:

(A) Each licensed spirits distributor shall furnish a bond equivalent in amount to the distributor's estimated highest monthly tax liability. However, the total amount of the bond shall not be less than $15,000.

(B) Each licensed wine distributor shall furnish a bond equivalent to the distributor's estimated highest monthly tax liability. However, the total amount of the bond shall not be less than $5,000.

(C) Each licensed beer distributor shall furnish a bond equivalent to the distributor's estimated highest monthly tax liability. However, the total amount of the bond shall not be less than $5,000.

(d) A licensed distributor shall not accept any money from a manufacturer or another distributor to be used for the payment of the tax on alcoholic liquor. A distributor or manufacturer shall not advance any money to a licensed distributor for the purpose of paying that tax.

(Authorized by K.S.A. 1989 Supp. 41-210; implementing K.S.A. 1989 Supp. 41-409, 41-502, 41-317; effective Jan. 1, 1966; amended Jan. 1, 1968; amended Jan. 1, 1973; amended Jan. 1, 1974; amended May 1, 1984; amended May 1, 1985; amended Sept. 26, 1988; amended Aug. 6, 1990.)