CHAPTER 20. ALCOHOL AND MIXED BEVERAGES

SUBCHAPTER 5. MIXED BEVERAGES

710:20-5-1. Procedures for payment of gross receipts tax on mixed beverage, caterer, hotel beverage, beer and wine, mixed beverage/caterer combination, public event, and special event license holders; definitions

(a) **General provisions.** Pursuant to the authority and power granted to the Oklahoma Tax Commission, the excise tax imposed upon the total gross receipts of a holder of a mixed beverage, caterer, hotel beverage, beer and wine, mixed beverage/caterer combination, public event, or special event license issued by the ABLE Commission, shall be paid through monthly tax reporting procedures as established by rules of this Commission, and shall be implemented, administered and enforced in accordance with said rules. [**See:**37A O.S. §5-105]

(b) **Definitions.** The following words and terms, when used in this Subchapter, shall have the following meaning, unless the context clearly indicates otherwise:

(1) ***"Alcoholic beverage"*** *means alcohol, spirits, beer, and wine*, as those terms are defined in Section 1-103 of Title 37A of the Oklahoma Statutes *and also includes every liquid or solid, patented or not, containing alcohol, spirits, wine or beer and capable of being consumed as a beverage by human beings*.

(2) ***"Mixed beverages"*** *means one or more servings of a beverage composed in whole or part of an alcoholic beverage in a sealed or unsealed container of any legal size for consumption on the premises where served or sold by the holder of a mixed beverage, beer and wine, caterer, public event, charitable event or special event license; provided, that a beer, cider, or wine mixed with ingredients nonalcoholic in nature including, but not limited to, water, juice, sugar, fruits, or vegetables and sold by a small brewer, brewpub, small farm winery, or winemaker, shall not be considered a mixed beverage so long as such small brewer, brewpub, small farm winery, or winemaker does not also hold an on-premises beer and wine, mixed beverage, caterer, public event, or special event license, if permitted by law.* [**See:** 37A O.S. § 1-103~~(34)~~(39)]

710:20-5-9. Commission may require security from vendor

(a) **General provisions.** To assure payment of any mixed beverage tax due, the Commission shall require that sufficient security be deposited with the Commission. Security may be in the form of:

(1) A corporate surety bond, furnished by a surety licensed to do business in Oklahoma;

(2) A certificate of deposit issued by a bank or financial institution, issued to the "taxpayer **OR** the Oklahoma Tax Commission";

(3) Cash; or,

(4) Any other form agreed upon by the Commission and person liable for remitting the tax.

(b) **Amount of required bond.** The amount of the bond shall not be less than an amount equal to the average estimated quarterly gross receipts tax liability and not greater than an amount equal to three times the average estimated quarterly gross receipts tax liability.

(c) **Minimum bond.** The minimum bond required for a new permit holder shall not be less than One Thousand Five Hundred Dollars ($1,500.00).

(d) **Forfeiture or cancellation of bond.** The forfeiture or cancellation of such bond or security shall result in the automatic revocation of the mixed beverage tax permit issued pursuant to provisions of the Oklahoma Alcoholic Beverage Control Act.

(e) **Bond exemption.** Any holder of a mixed beverage tax permit issued pursuant to the provisions of the Oklahoma Alcoholic Beverage Control Act shall be exempt from the bond requirement if the permit holder has held the permit for 10 consecutive years while being tax compliant for the same 10 consecutive years.

(1) A permit holder will be deemed to be "tax compliant" or in "tax compliance" for purposes of the bond exemption if the permit holder has filed all required tax returns and paid in full all taxes due by the required due dates, including any valid extensions. A permit holder will not be considered in tax compliance if they have been granted a penalty and interest waiver at any time during the relevant time period.

(2) The Audit Services Division of the Oklahoma Tax Commission is responsible for making the determination that a permit holder meets the requirements to be exempt from the bond requirement.

(3) As of November 1, 2024, the bond exemption will apply to those permit holders that have been in tax compliance for a period of 10 consecutive years.

(4) To request a bond exemption, release, and refund of an existing bond, the permit holder must submit a letter, either uploaded to OkTAP or mailed to Oklahoma Tax Commission, Business Tax Services, Oklahoma City, OK 73194, with the following information:

(A) An explanation of the permit holder’s qualification with this Section; and

(B) A copy of a completed Form BT-191 Change of Officer, Member, or Partner, for verification purposes.

(5) Before granting a bond exemption and releasing a bond, the permit holder’s accounts will be reviewed for tax compliance. Additional information from the taxpayer may be requested if necessary.

(6) If a permit holder that has been granted a bond exemption becomes delinquent at any time, on any account, the bond exemption will immediately terminate. The permit holder will be notified by letter and will be required to furnish the Tax

Commission with a bond as originally required within 30 days of notification. Failure to furnish a bond as required will result in the automatic revocation of the mixed beverage tax permit.