



New York State Department of
Taxation and Finance
Audit Division – Transaction Field Audit Bureau
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Audit Division Alert

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Alcoholic beverage wholesalers must obtain *Sales Tax Resale Certificates* from customers for exempt sales made on or after February 15, 2010.

New legislation requires wholesalers of alcoholic beverages licensed by the New York State Liquor Authority to annually report certain information to the Tax Department, including:

- identifying information about their customers, including sales tax *Certificate of Authority* (COA) number or federal identification number; and
- information regarding sales to such customers.

These new reporting requirements support the Tax Department's efforts to ensure that all taxpayers pay the correct amount of tax due.

Some wholesalers have reported difficulty obtaining COA numbers or federal identification numbers. To address this concern, the Tax Department has changed its policy. For every sale made on or after February 15, 2010 without the collection of sales or use tax, wholesalers must obtain and maintain:

- a properly completed ST-120 *Resale Certificate*; or
- other appropriate exemption document.

Because a *Resale Certificate* includes the retailer's COA number, wholesalers who obtain and maintain *Resale Certificates* will be able to satisfy the new legislation's reporting requirements. In addition, reporting the COA number will make it unnecessary for wholesalers to get federal identification numbers from customers.

Penalties for noncompliance

Wholesalers may be held liable for the sales tax due, along with penalties and interest, on all transactions that aren't supported by proper exemption documentation.

Previous policy reversed

This alert reverses the Department's previous policy that excused alcoholic beverage wholesalers from the statutory requirement of collecting and maintaining *Resale Certificates* for sales made to retailers. Tax Law section 1132(c).

Voluntary Disclosure and Compliance Program

All taxpayers, including vendors who make purchases from alcoholic beverage wholesalers, may be eligible for the New York's Voluntary Disclosure and Compliance program. The goal of the program is to encourage taxpayers to voluntarily disclose and correct delinquent tax liabilities and avoid penalties.

Visit our Web site at www.nystax.gov:

- To learn more about the Voluntary Disclosure and Compliance Program.
- To learn more about these new requirements
 - TSB-M-09(10)S, *New Requirement for the Filing of Information Returns for Alcoholic Beverage Wholesalers*
 - TSB-M-09(10.1)S, *Additional Guidance Relating to the New Requirement for Filing of Information Returns for Alcoholic Beverage Wholesalers*