



Alcoholic Beverages Tax – Introduction and Definitions

Introduction

New York State imposes an excise tax on the sale or use in New York State of beer, wine, and liquor.

New York City imposes an additional excise tax on the sale or use in New York City of:

- beer; and
- liquor containing more than 24% alcohol by volume.

The state and city excise taxes are both administered and collected by the New York State Department of Taxation and Finance. Unless the context requires otherwise, any reference to the term *tax* or *taxes* refers to both the state and city excise taxes.

The tax applies to you if you're:

- A registered distributor. For additional information, see Tax Bulletin [Do I Have to Register as a Distributor of Alcoholic Beverages? \(TB-AB-180\)](#).
- An individual who imports or causes to be imported beer, wine, or liquor into New York and is not a registered distributor. For additional information, see Tax Bulletin [Filing Requirements for Individuals Who Import Alcoholic Beverages for Personal Use \(TB-AB-275\)](#).

There are exemptions from the tax for certain sales and uses. These exemptions are detailed in Tax Bulletin [Exempt Sales and Uses of Alcoholic Beverages \(TB-AB-245\)](#).

Definitions

Alcoholic beverages include beer, wine, and liquor.

Beer includes all alcoholic beer, lager beer, ale, porter, and stout, and all other fermented beverages manufactured from malt, wholly or in part, or from any substitute containing one-half of 1%, or more, of alcohol by volume.

Wine includes:

- wine (still, sparkling, and wine fortified by the addition of alcohol or spirits) and fruit juice containing one-half of 1% or more alcohol by volume;
- all other beverages containing 24% or less alcohol by volume, manufactured or produced by the fermentation of the natural sugar contents of fruits or other agricultural products containing sugar; and
- cider containing more than 3.2% alcohol by volume.

Wine containing more than 24% alcohol by volume is taxed as liquor.

Liquor includes:

- distilled or rectified spirits, alcohol, brandy, cordials (whether the base is wine or liquor);
- whiskey, rum, gin, and all other distilled beverages containing alcohol, including all dilutions and mixtures of these beverages; and
- wine containing more than 24% alcohol by volume.

Sale means any transfer, exchange, or barter. In addition to cash and credit sales, a sale includes a transaction in which you give alcoholic beverages as samples, prizes, or gifts, or exchange them for any consideration other than money.

Sales of warehouse receipts given upon the storage of alcoholic beverages are not considered sales of those beverages.

Use is any compounding or mixing of alcoholic beverages with other ingredients (or other treatments) that renders them unfit or unsuitable for consumption as a beverage. *Use* also includes the actual consumption, or possession for consumption, of alcoholic beverages.

Note: A Tax Bulletin is an informational document designed to provide general guidance in simplified language on a topic of interest to taxpayers. It is accurate as of the date issued. However, taxpayers should be aware that subsequent changes in the Tax Law or its interpretation may affect the accuracy of a Tax Bulletin.

References and other useful information

Tax Law: Sections 420, 424, and 445

Regulations: Part 66.1

Bulletins:

[*Do I Have to Register as a Distributor of Alcoholic Beverages? \(TB-AB-180\)*](#)

[*Filing Requirements for Individuals Who Import Alcoholic Beverages for Personal Use \(TB-AB-275\)*](#)

[*Exempt Sales and Uses of Alcoholic Beverages \(TB-AB-245\)*](#)