

## OREGON LIQUOR CONTROL COMMISSION

# Privilege Tax

## Frequently Asked Questions

### **When is state privilege tax payment on wine due to the OLCC?**

Privilege tax is due when product is removed from federal bond or when federal tax paid product is imported into Oregon.

### **Who is responsible for tax on product removed from federal bond?**

The Oregon licensee that removed the product from federal bond is responsible for paying the privilege tax on the product.

### **Who is responsible for tax on wine or malt imported into Oregon?**

The first Oregon licensee that receives the product from out of state is responsible for the tax.

### **Who is responsible for paying the Oregon Wine Board tax?**

The Oregon licensee who produces the wine product is responsible for the tax.

### **Can an Oregon winery claim a small winery exemption on product sold to an Oregon growers sales privilege licensee?**

Yes, as long as the winery produces less than 100,000 gallons annually. They may exempt the first 40,000 gallons sold.

### **When can I claim the small winery exemption?**

If you qualify, you can claim the small winery exemption when you sell the product and transfer the title of the product to an Oregon licensee or resident.

### **Who can claim the small winery exemption?**

ORS 473.050 provides that the small winery exemption is eligible for product sold (transfer of title) in Oregon for a qualified licensee.

The qualified licensee must be a U.S. manufacturer of wine and produce less than 100,000 gallons annually. Small winery exemption may be taken on the first 40,000 gallons sold annually in Oregon.

### **Who can take the export credit on wine or malt that is exported out of Oregon?**

Export credit can be taken by the manufacturer or distributor that originally paid the State tax and exported the product. The manufacturer or distributor can only take the export credit on product that has had the state tax paid on it.



### **For more information contact:**

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*The mission of the OLCC is to promote the public interest through the responsible sale and service of alcoholic beverages.*

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**When can I take the export credit?**

The export credit can be taken in the month the product is exported and leaves the state of Oregon.

**When am I required to file a privilege tax statement?****● *Wineries, Growers Sales Privilege and Warehouses***

Annually, if no tax is due for the entire year

Monthly, if a tax liability exists in any month of the year

**● *Distributors***

Monthly

**To whom can I ship wine under federal bond?**

Any bond to bond wine transfers must follow all federal guidelines and all federal paperwork requirements.

**What is an alternating proprietor (Federal Producer)?**

An alternating proprietor is an arrangement where two or more entities take turns using the physical premises of a winemaking facility. They must qualify as a stand alone winery, obtain their own Alcohol and Tobacco Tax and Trade Bureau (TTB) registration, a basic permit, a bond, and maintain their own records.

**What is a custom crush client (Federal Wholesaler):**

A custom crush client is when the client receives fully finished, bottled, and labeled wine on which all Federal excise tax and State privilege tax has been paid.

**What documents are required for a bond to bond wine transfer?**

For all bonded wine transfers, the following records must be kept:

1. Date of shipment
2. Name, address and Federal Registry number of proprietor and consignee
3. Kind of wine (class and type) and alcohol content or tax class
4. Number of containers larger than four liters or cases
5. Serial number of cases if any or containers larger than four liters, or other marks (bulk wine)