



SOURCE: Board Action

SUMMARY

Amend section 32452 of the Revenue and Taxation Code (RTC) to require electronic filing of supplemental reports, including schedules, required from alcoholic beverage licensees, common and private carriers, and other persons.

EXISTING LAW

Section 32452 states that in addition to any other reports required for the administration of the Alcoholic Beverage Tax (ABT), the board may, by rule and otherwise, require additional, other, or supplemental reports from alcoholic beverage licensees, common and private carriers, and other persons and prescribe the form, including verification, of the information to be given on, and the times for filing of, such additional, other, or supplemental reports. The failure or refusal of any person to render the reports required under this section is a misdemeanor.

CODE SECTIONS TO AMEND

RTC section 32452.

IDENTIFICATION OF PROBLEM

The existing law requiring electronic filing applies only to the tax returns used to report taxes due and does not apply to the required supplemental reports and schedules attached to the returns containing other pertinent information and reports used to ensure compliance and accurate reporting. The amendments proposed to RTC 32452 include cleanup language to mandate that supplemental reports must also be filed electronically and will include a “schedule” as a type of supplemental report.

PROPOSED SOLUTION

Amend RTC section 32452 to include “schedules” as an additional form of a report and require alcoholic beverage licensees to use electronic filing for all informational reports and schedules.

JUSTIFICATION

Without legislative action, there would be no conformity for the method of filing required tax returns and the required supplemental reports and schedules by alcoholic beverage licensees. Additionally, the information contained in the reports and schedules could be delayed leading to inefficiencies in the administration of the Alcoholic Beverage Tax (ABT) Program.

PROGRAM BACKGROUND/LEGISLATIVE HISTORY

Article 20, section 22 of the California Constitution requires the BOE to administer the ABT. Through an Interagency Agreement (IAA), the California Department of Tax and Fee Administration (CDTFA) collects the tax and administers the ABT program in cooperation and oversight by the BOE.

In 2022, the legislature passed [SB 518 \(Laird\)](#), which in part required all sellers of beer or wine, or distilled spirits to file tax returns and related schedules relating to the calculation of taxes due, electronically. However, the proposal did not require supplemental reports and informational schedules required for these same returns to also be filed electronically. The proposed amendment to RTC section 32452 includes electronic filing of the supplemental reports and informational schedules.

ARGUMENTS PRO AND CON

Pros

- Efficient program administration so the tax return and informational schedules are received as one unit.
- Taxpayers must electronically file tax returns for ABT, Sales and Use Tax, and other tax and fee programs. The current electronic filing parameters do not allow taxpayers to file an ABT return without also filing informational schedules for ABT at the same time. Therefore, the change will not be burdensome.

Cons

- Delay in receipt of the informational schedule information will be inefficient for the administration of ABT program activities performed to ensure compliance and correct reporting.

PROBABLE SUPPORT AND OPPOSITION

Unknown

OTHER EXTERNAL PARTIES THAT MAY BE AFFECTED

California Department of Tax and Fee Administration

FISCAL IMPACT (If known)

Minor.

DRAFT LANGUAGE

Section 32452 of the Revenue and Taxation Code is amended to read:

32452. (a) In addition to any other reports or schedules required under this part, the board may, by rule and otherwise, require additional, other, or supplemental reports or schedules from alcoholic beverage licensees, common and private carriers, and other persons and prescribe the form, including verification, of the information to be given on, and the times for filing of, such additional, other, or supplemental reports or schedules.

(b) Any reports or schedules required to be filed under this section shall be filed using electronic media. Reports shall be authenticated in a form or pursuant to methods as may be prescribed by the board.

(c) The failure or refusal of any person to render the reports or schedules required under this section is a misdemeanor.