

Chapter 473

Liquor Manufacturing and Importing Tax

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CROSS REFERENCES

Uniformity of taxation required, Const Art I, § 32
473.190
Enumeration having effect of federal census, 221 740

473.200
Expenditures without allotment prohibited in certain cases, 291 238

1. The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the integrity of the financial system and for the ability to detect and prevent fraud. The text notes that without reliable records, it would be difficult to verify the accuracy of financial statements and to identify any discrepancies or irregularities.

2. The second part of the document focuses on the role of internal controls in ensuring the accuracy and reliability of financial information. It describes how internal controls are designed to prevent errors and fraud by establishing a system of checks and balances. The text highlights that internal controls should be tailored to the specific needs of the organization and should be regularly reviewed and updated to reflect changes in the business environment.

3. The third part of the document discusses the importance of transparency and accountability in financial reporting. It states that organizations should provide clear and concise information about their financial performance and position to all stakeholders. This includes providing timely and accurate financial statements, as well as disclosing any significant risks and uncertainties that may affect the organization's financial health. The text also emphasizes the need for organizations to be open to external audits and to cooperate fully with auditors to ensure the accuracy and reliability of their financial reporting.

473.010 Definitions. For the purposes of this chapter, unless the context clearly indicates a different meaning.

(1) "Alcoholic beverages" means and includes any fortified wine or similar fermented vinous liquor and fruit juice, or other fermented beverage fit for beverage purposes, containing more than one-half of one percent of alcohol by volume and not more than 14 percent of alcohol by volume.

(2) "Commission" means the Oregon Liquor Control Commission.

(3) "Malt beverages" means and includes beer, ale, porter, stout and similar beverages obtained by the alcoholic fermentation of an infusion or decoction of barley malt and hops in drinking water and containing more than one-half of one percent of alcohol by volume and not more than 14 percent of alcohol by volume.

(4) "Manufacturer" means every person who produces, brews, ferments, manufactures or blends an alcoholic beverage or a malt beverage, or both, within this state, or who imports or causes to be imported into this state an alcoholic beverage or a malt beverage for use, sale or distribution within the state. [Amended by 1953 c.120 §6]

473.020 Administration of chapter by commission. The commission shall administer this chapter, and shall prescribe forms and make such rules and regulations as it deems necessary to enforce its provisions

473.030 Imposition of tax on malt and alcoholic beverages. (1) A tax hereby is imposed upon the privilege of engaging in business as a manufacturer or as an importing distributor of malt beverages at the rate of \$1.30 per barrel of 31 gallons on all such beverages.

(2) A tax hereby is imposed upon the privilege of engaging in business as a manufacturer or as an importing distributor of alcoholic beverages at the rate of 23 cents per gallon on all such beverages.

(3) The rates of tax imposed by this section upon malt beverages apply proportionately to quantities in containers of less capacity than those quantities specified in this section.

(4) The taxes imposed by this section shall be measured by the volume of beverages produced, purchased or received by any manufacturer. If the beverage remains unsold and in the possession of the producer at the plant where it was produced, no tax imposed or levied by this section is required to

be paid until such beverage has become sufficiently aged for marketing at retail, but this subsection shall not be construed so as to alter or affect any provision of this chapter relating to tax liens or the filing of statements.

473.040 Additional tax on beverages manufactured out of state. (1) If the laws of another state, territory or nation, or the rules and regulations of any administrative body therein:

(a) Authorize or impose any tax, fee or charge upon the right to transport or import into such state any beer, malt liquor or wine manufactured in this state;

(b) Authorize or impose any different warehousing requirements or higher warehousing fees or inspection fees upon any beer, malt liquor or wine manufactured in this state and imported into or sold in such state, than are imposed upon beer, malt liquor and wine manufactured in such state; or

(c) Impose any higher fee for the privilege of selling or handling beer, malt liquor or wine manufactured in this state than is imposed for the privilege of handling or selling the same kind of beverages manufactured within such state or any other state, the commission shall levy and collect similar taxes, fees and charges from licensees or persons selling in Oregon, beer, malt liquor and wine manufactured in such other state, territory or nation.

(2) The taxes, fees and charges authorized in this section are in addition to the taxes, fees and charges authorized to be assessed and collected by the commission under this chapter

473.050 When liquor tax not imposed. In computing any privilege tax imposed by ORS 473.030 or 473 040

(1) No malt beverage or alcoholic liquor is subject to tax more than once.

(2) No tax shall be levied, collected or imposed upon any malt beverage or alcoholic liquor sold to the commission or exported from the state.

(3) No tax shall be levied, collected or imposed upon any malt beverage given away and consumed on the licensed premises of a brewery licensee, or sold to or by a voluntary nonincorporated organization of army, air corps or navy personnel operating a place for the sale of goods pursuant to regulations

promulgated by the proper authority of each such service.

473.060 Payment of taxes; refunds. The privilege taxes imposed by ORS 473.030 and 473.040 shall be paid to the commission. The taxes covering the periods for which statements are required to be rendered by ORS 473.070 shall be paid before the time for filing such statements expires. If not so paid, a penalty of 10 percent and interest at the rate of one percent a month or fraction of a month shall be added and collected. The commission may refund any tax payment imposed upon or paid in error by any licensee, and may waive the collection or refund the payment of any tax imposed and collected on alcoholic liquor subsequently exported from this state, or sold to a federal instrumentality or to the commission.

473.070 Statements by manufacturers as to quantities produced. On the twentieth day of each month, every manufacturer shall render to the commission a verified statement of the quantity of alcoholic beverages and malt beverages produced, purchased or received by him during the preceding calendar month.

473.080 Estimate by commission when statement not filed. If any manufacturer fails, neglects or refuses to file a statement required by ORS 473.070, the commission shall estimate the amount of alcoholic beverages and malt beverages produced, purchased or received by the manufacturer and assess the privilege tax thereon. Such manufacturer shall be estopped from complaining of the amount so estimated.

473.090 Lien created by the tax. The privilege tax required to be paid by ORS 473.030 and 473.040 constitutes a lien upon, and has the effect of an execution duly levied against, any and all property of the manufacturer, attaching at the time the beverages subject to the tax were produced, purchased or received, as the case may be, and remaining until the tax is paid or the property sold in payment thereof. The lien created by this section is paramount to all private liens or encumbrances.

473.100 Seizure of property; notice of sale. (1) Whenever any manufacturer is delinquent in the payment of the privilege tax provided for in ORS 473.030 and 473.040, the commission or its duly authorized representative shall seize any property subject to

the tax and sell, at public auction, property so seized, or a sufficient portion thereof to pay the privilege tax due, together with any penalties imposed under ORS 473.060 for such delinquency and all costs incurred on account of the seizure and sale.

(2) Written notice of the intended sale and the time and place thereof, shall be given to such delinquent manufacturer and to all persons appearing of record to have an interest in the property, at least 10 days before the date set for the sale. The notice shall be inclosed in an envelope addressed to the manufacturer at his last known residence or place of business in this state, if any; and in the case of any person appearing of record to have an interest in such property, addressed to such person at his last known place of residence, if any. The envelope shall be deposited in the United States mail, postage prepaid. In addition, notice shall be published for at least 10 days before the date set for such sale, in a newspaper of general circulation published in the county in which the property seized is to be sold. If there is no newspaper of general circulation in such county, the notice shall be posted in three public places in such county for the 10 day period. The notice shall contain a description of the property to be sold, a statement of the amount of the privilege taxes, penalties and costs, the name of the manufacturer and the further statement that, unless the privilege taxes, penalties and costs are paid on or before the time fixed in the notice for the sale, the property, or so much thereof as may be necessary, will be sold in accordance with law and the notice.

473.110 Sale of property; disposal of proceeds. At the sale, the property shall be sold by the commission or by its duly authorized agent in accordance with law and the notice. The commission shall deliver to the purchaser a bill of sale for the personal property, and a deed for any real property so sold. The bill of sale or deed vests title in the purchaser. The unsold portion of any property seized under ORS 473.100 may be left at the place of sale at the risk of the manufacturer. If upon any such sale, the money received exceeds the amount of all privilege taxes, penalties and costs due the state from the manufacturer, the excess shall be returned to the manufacturer, and his receipt therefor obtained. However, if any person having an interest in or lien

upon the property has filed with the commission, prior to the sale, notice of his interest or lien, the commission shall withhold any such excess pending a determination of the rights of the respective parties thereto by a court of competent jurisdiction. If the receipt of the manufacturer is not available, the commission shall deposit such excess money with the State Treasurer, as trustee for the owner, subject to the order of the manufacturer, his heirs, successors or assigns.

473.120 Commission and Attorney General may both bring action. (1) The commission shall immediately transmit notice of the delinquency mentioned in ORS 473 100 to the Attorney General. He, shall at once proceed to collect all sums due to the state from the manufacturer under this chapter by bringing suit against the necessary parties to effect forfeiture of the bonds of the manufacturer, reducing any deficiency to judgment against the manufacturer

(2) The remedies of the state provided in ORS 473 090 to 473.120 are cumulative and no action taken by the commission or Attorney General constitutes an election on the part of the state or any of its officers to pursue one remedy to the exclusion of any other remedy provided in this chapter

473.130 Estimate by commission as prima facie evidence. In any suit brought to enforce the rights of the state, the assessment made by the commission under ORS 473 080, or a copy of so much thereof as is applicable in such suit, duly certified by the commission and showing unpaid privilege taxes assessed against any manufacturer, is prima facie evidence.

(1) Of the assessment of the privilege tax and the delinquency thereof.

(2) Of the amount of the privilege tax, interest, penalties and costs due and unpaid to the state.

(3) That the manufacturer is indebted to this state in the amount of such privilege tax, interest and penalties therein appearing unpaid.

(4) That the law relating to assessment and levy of such privilege tax has been fully complied with by all persons required to perform administrative duties under this chapter.

473.140 Records to be kept by manufacturers and purchasers. Every manufacturer shall keep a complete and accurate

record of all sales of alcoholic beverages and malt beverages, a complete and accurate record of the number of gallons imported, produced, purchased, manufactured, brewed or fermented, and the date of importation, production, purchase, manufacturing, brewing or fermentation. The records shall be in such form and contain such other information as the commission may prescribe. The commission, by rule or regulation, may require the delivery of statements by distributors to purchasers, with alcoholic beverages and malt beverages, and prescribe the matters to be contained therein. Such records and statements shall be preserved by the distributor and the purchaser respectively, for a period of two years, and shall be offered for inspection at any time upon oral or written demand by the commission or its duly authorized agents

473.150 Inspection of manufacturer's records; records to be kept for prescribed period. (1) The commission may, at any time, examine the books and records of any manufacturer and may appoint such auditors, investigators and other employees as it deems necessary to enforce its powers and perform its duties under this section.

(2) Every manufacturer shall maintain and keep, within this state for two years, all records, books and accounts required by this chapter.

473.160 Records to be kept by persons transporting liquor. Every person transporting alcoholic beverages or malt beverages within this state, whether such transportation originates within or without this state, shall keep a true and accurate record of all such beverages transported. The record shall include ingredients which may be used in the manufacture, production, brewing or fermentation of the beverages, showing such facts with relation to such beverages, their ingredients and their transportation, as the commission may require. Such records shall be open to inspection by the representative of the commission at any time. The commission may require from any such person sworn returns of all or any part of the information shown by such records

473.170 Failure to pay tax or to maintain records. (1) No manufacturer shall fail to pay the privilege tax prescribed in ORS 473 030 and 473 040 when it is due

(2) No person shall

(a) Refuse to permit the commission or

any of its representatives to make an inspection of the books and records authorized by ORS 473.140 to 473.160;

(b) Fail to keep books of account prescribed by the commission or required by this chapter;

(c) Fail to preserve such books for two years for inspection of the commission; or

(d) Alter, cancel or obliterate entries in such books of account for the purpose of falsifying any record required by this chapter to be made, maintained or preserved

473.180 Applicability to interstate and foreign commerce. None of the provisions of this chapter apply to commerce with foreign nations or commerce with the several states, except in so far as the same may be permitted under the Constitution and laws of the United States.

473.190 Proportion of tax proceeds given to cities and counties; state has exclusive right to tax liquor. (1) Thirty cents of every \$1.30 of revenue derived from the tax imposed by ORS 473 030 and 473 040 upon manufacturers and importing distributors of malt beverages and 10 percent of the revenue derived from the tax imposed by ORS 473 030 and 473.040 upon manufacturers and importing distributors of alcoholic beverages, shall be remitted forthwith by the commission to the State Treasurer to be placed in a special fund to the credit of the cities and counties of the state; and on March 31, June 30, September 30 and December 31 of each year shall be paid by the Secretary of State by warrants to the several incorporated cities and the several counties of the state in proportion to their respective populations as determined by the federal census last preceding such apportionment

(2) The proportionate share of each county shall be determined by the total population thereof, less the combined populations of all incorporated cities therein. For the purposes of this section the population of a city incorporated after the federal census last preceding such apportionment shall be determined by enumeration of the inhabitants thereof by persons appointed by the Secretary of State. The cost of such enumeration shall be borne by the city.

(3) The term "city" as used in this section means only those incorporated municipalities which are regularly operating as such through elected governmental officials

(4) No county or incorporated city of this state shall impose any fee or tax, in-

cluding occupation taxes, privilege taxes and inspection fees, in connection with the production, sale, mixing, serving, transporting, delivering or handling of malt or other alcoholic liquors.

473.200 Tax proceeds available for commission expenses. After complying with ORS 473.190, the commission shall remit the remainder of the revenue derived from the taxes to the State Treasurer. He shall deposit it in the General Fund to the credit of the Oregon State Liquor Commission Account. All necessary expenses of the commission incurred in carrying out the purposes of this chapter shall be audited and paid from the General Fund, upon warrants drawn by the Secretary of State, pursuant to a claim theretofore duly approved by the commission. Such part of the money produced by the operation of this chapter as is necessary to pay such expenses hereby is appropriated from the General Fund for such purposes

473.210 Distribution of surplus to counties; use of revenues by counties. After payment of expenses of administering this chapter, plus such additional amount as the commission may certify to be necessary to pay its outstanding obligations incurred under this chapter, the balance of the money remaining to the credit of the Oregon State Liquor Commission Account on March 31, June 30, September 30 and December 31 of each year, shall be disbursed by the Secretary of State by warrants as follows.

(1) Seventy-five percent thereof shall be paid to the treasurers of the several counties of the state, in proportion to the population of the respective counties as determined by the federal census last preceding such apportionment. All revenues received hereunder by the treasurers of the several counties shall be placed to the credit of a special fund to be expended only by the county court or board of county commissioners for mothers' aid, old age pensions and direct relief of the indigent.

(2) The remaining 25 percent of the revenue shall revert and be credited to the General Fund

473.220 Localities prohibiting sale of liquor not entitled to participate. Counties or incorporated cities which have by election determined to prohibit the sale of any malt or other alcoholic beverages are not entitled to receive what would otherwise be their proportionate share of the funds described

in ORS 473.190 to 473.210, as long as such prohibition is in force.

473.990 Penalties. (1) Violation of subsection (1) of ORS 473.170 is punishable upon conviction by a fine not exceeding \$500

or by imprisonment in the county jail not exceeding six months, or both.

(2) Violation of subsection (2) of ORS 473.170 is punishable upon conviction by a fine not exceeding \$1,000 or by imprisonment in the county jail not exceeding one year, or both.

