

(b) Every State licensee, receiving returns of alcoholic beverages from a customer other than a consumer, is to immediately issue an inventory credit memorandum to the person making the return. Each inventory credit memorandum must show the wine gallons returned in sealed containers, the date when the alcoholic beverages were originally sold and the date of return. Breweries are to show wine gallons of draught beer returned in sealed containers only.

(c) Returns of alcoholic beverages made by State licensees to the source from which they were received are allowed only to the extent of the gallonage shown by an inventory credit memorandum or a credit memorandum issued by the source and in possession of the State licensee reporting the return.

Statutory References

As to tax credits claimed, see N.J.S.A. 54:45-6.

18:3-2.21 When deductions for tax credits are taken

(a) Deduction for tax credits are taken when:

1. Made by reason of a tax credit memorandum issued by the Division of Taxation are to be made in accordance with the instructions on the tax credit memorandum. (See N.J.A.C. 18:3-2.18, Tax credit memoranda issued by the Division.)

2. Made by the seller by reason of the rescission or cancellation of a sale, and where the alcoholic beverages if delivered have been returned are to be made with the report filed for the reporting period in which the alcoholic beverages were actually returned. (See N.J.A.C. 18:3-2.19, Cancellation of sale; tax credit.)

3. Made by the purchasers by reason of the return of alcoholic beverages are to be made with the report filed for the reporting period in which the alcoholic beverages were returned to the seller in accordance with Section 20 (Returns-tax credit and issuance of inventory credit memoranda for returned alcoholic beverages) of this Subchapter.

4. Made by reason of the destruction of alcoholic beverages under supervision of the Director, are to be made with the report filed for the reporting period in which the alcoholic beverages were destroyed. See Section 22 (Destruction of alcoholic beverages under supervision) of this Subchapter.

Amended by R.1973 d.297, effective October 17, 1973.
See: 5 N.J.R. 319(a), 5 N.J.R. 393(d).

Statutory References

As to when tax credits are allowed, see N.J.S.A. 54:45-6.

18:3-2.22 Destruction of alcoholic beverages under supervision

Where alcoholic beverages located in this State are destroyed through dumping by the licensee, such disposition is taxable except where the alcoholic beverages are destroyed under the supervision or instruction of the Director, or under the supervision or instructions of the Federal Alcohol Tax and Tobacco Unit.

Statutory References

As to destruction of alcoholic beverages under Director's supervision, see N.J.S.A. 54:43-5.

18:3-2.23 through 18:3-2.26 (Reserved)

SUBCHAPTER 3. TAX RULINGS

18:3-3.1 Tax on sparkling cider

(a) Cider containing three and two-tenths per centum but not more seven per centum of alcohol by volume which is charged artificially or as a result of secondary fermentation is taxable at the rate of \$0.12 a gallon.

(b) Cider containing more than seven per centum of alcohol by volume which is charged either artificially or as the result of secondary fermentation is taxable as a sparkling wine.

Amended by R.1973 d.297, effective October 17, 1973.

See: 5 N.J.R. 319(a), 5 N.J.R. 393(d).

Amended by R.1999 d.10, effective January 4, 1999.

See: 30 N.J.R. 3607(b), 31 N.J.R. 55(a).

Rewrote the section.

Statutory References

As to definition of cider, see N.J.S.A. 54:41-2.

18:3-3.2 Tax on mixture of cider and malt beverage

(a) Any beverage composed of a mixture of cider containing three and two-tenths per centum but not more than seven per centum of alcohol by volume with a malt beverage, and charged either artificially or as the result of secondary fermentation, is taxable at the rate of \$0.12 per gallon.

(b) Any beverage composed of a mixture of cider containing more than seven per centum of alcohol by volume with a malt beverage and charge either artificially or as the result of secondary fermentation, is taxable as a sparkling wine.

Amended by R.1999 d.10, effective January 4, 1999.

See: 30 N.J.R. 3607(b), 31 N.J.R. 55(a).

Rewrote the section.

Statutory References

As to definition of cider and malt beverages, see N.J.S.A. 54:41-2.

18:3-3.3 Tax on bottled drinks

The tax rate of alcoholic beverages treated with carbonation or other ingredients which tends to distort their normal characteristics will be determined after analysis.

Statutory References

As to power of Director to analyze, see N.J.S.A. 54:42-1.

18:3-3.4 Tax on bitters, grenadine and other mixes

All bitters, grenadine, highballs, cocktails, cordials and other mixes which are classified by the United States Treasury Department, Internal Revenue Service, as intoxicating liquors and which require Federal strip stamps, are taxable at the rate of \$4.40 a gallon.

Amended by R.1973 d.297, effective October 17, 1973.

See: 5 N.J.R. 319(a), 5 N.J.R. 393(d).

Amended by R.1994 d.183, effective April 18, 1994.

See: 26 N.J.R. 758(a), 26 N.J.R. 1695(a).

Statutory References

As to definition of alcoholic beverages, see N.J.S.A. 54:41-2.

18:3-3.5 Sales to religious organizations

Sales or deliveries of alcoholic beverages to churches, convents or other religious societies and organizations, whether for sacramental purposes or otherwise, are taxable.

Statutory References

As to taxability of any sale of alcoholic beverages, see N.J.S.A. 54:43-1.

18:3-3.6 Sales to governmental agencies and concessionaires

(a) All sales or deliveries of alcoholic beverages by the holder of an alcoholic beverage license to governmental agencies except as provided for by N.J.S.A. 54:43-2.1 are taxable. (See N.J.A.C. 18:3-2.15, Sales to Army, Air Force, Navy and Coast Guard organizations.)

(b) Sales or deliveries made to National Guard post exchanges at any New Jersey armory are tax exempt when such transactions have been authorized by the State Department of Defense.

(c) All sales or deliveries made to concessionaires operating at any New Jersey National Guard Armory are taxable.

(d) Sales to private concessionaires, operating within or upon territory used for military or naval purposes, to an individual even though the individual is a member of the Army, Air Force, Navy or Coast Guard, or to service clubs or other similar clubs are taxable.

Amended by R.1979 d.180, effective May 4, 1979.

See: 11 N.J.R. 209(a), 11 N.J.R. 305(b).

Statutory References

As to nontaxability of sales to Army or Navy personnel organizations, see N.J.S.A. 54:43-2.1.

18:3-3.7 Deliveries of alcoholic beverages to steamships at piers in New Jersey; tax exemptions for licensees; reports filed

(a) Where alcoholic beverages are delivered to a steamship company which is not the holder of a New Jersey license or permit, from inventories maintained either within or without this State:

1. Delivery by State licensees for "export" are exempt from tax only if the consignor submits an affidavit signed by the ship's master or other authorized agent or an "on board" bill of lading certifying that the alcoholic beverages were laden on the vessel for delivery at a designated point located outside the State of New Jersey.

2. Delivery by State licensees for "ship's supplies" are exempt from tax only if the consignor submits an affidavit signed by the ship's master or other authorized official certifying that the alcoholic beverages were purchased for consumption outside the State of New Jersey.

3. Where delivery is made for "export" or "ship's supplies" from consignor's inventory in New Jersey, these transactions are to be reported on Schedule "E" (out-of-State sales). Affidavits must be attached to and listed on Schedule "F".

4. Where delivery is made for "export" or "ship's supplies" from out-of-State inventory by a licensee maintaining inventory in the State of New Jersey, an entry is to be made on Schedule "H-1" and the transaction also reported on Schedule "E". Affidavits are to be attached and listed on Schedule "F".

5. Where delivery is made for "export" or for "ship's supplies" from out-of-State inventory by a licensee maintaining no inventory in the State of New Jersey the transaction must be reported on Schedule "E". Affidavits are to be attached and listed on Schedule "F".

6. Deliveries to a steamship company or to a person on a ship for consumption or resale on board ship while at a pier in New Jersey, are taxable and are to be reported as a sale on Schedule "D".

Amended by R.1973 d.297, effective October 17, 1973.

See: 5 N.J.R. 319(a), 5 N.J.R. 393(d).

Statutory References

As to tax exemptions for deliveries to out-of-State steamships, see N.J.S.A. 54:43-2.

18:3-3.8 Tax liability of transporter of alcoholic beverages to steamships

(a) The delivery of alcoholic beverages by transporters to a steamship company or to a ship at a pier in New Jersey from a consignor who is not the holder of a New Jersey license renders the transporter liable for the tax unless:

1. The tax has been previously paid;

2. The alcoholic beverages are delivered under "Cord and Seal";

3. The alcoholic beverages are consigned to a point outside this State.

(b) These transactions are to be reported on Schedule "N" or "M-N".