



301 Gervais Street, P.O. Box 125, Columbia, South Carolina 29214

SC INFORMATION LETTER #89-31

TO: Vickie Jinnette
Public Information Officer

FROM: Jerry B. Knight, Manager
Tax Policy and Procedures Department

DATE: September 13, 1989

SUBJECT: Sales of Beer or Wine to the Military
(Beer and Wine Taxes)

EFFECTIVE DATE: January 1, 1990

SUPERSEDES: All previous documents and any oral directives in conflict herewith.

REFERENCE: S.C. Code Ann. Section 12-21-100 (1976)
S.C. Code Ann. Section 12-54-40 (Supp. 1988)

AUTHORITY: S.C. Code Ann. Section 12-3-140 (1976)
SC Revenue Procedure #87-3

SCOPE: An Information Letter is a temporary document issued for the purpose of disseminating general tax information and to respond to technical questions from within the Commission which are not related to a specific set of facts.

PURPOSE: To provide procedures for reporting military sales.

Code Section 12-21-100 exempts the sale of certain articles (including beer and wine) sold to the United States, for military use, from taxes imposed by Chapter 21 of Title 12, and reads:

Beer, wine, soft drinks or any goods, wares and merchandise subject to tax under the provisions of this chapter shall be exempt from such tax when sold to the United States Government or United States Government instrumentality for Army, Navy, Marine or Air Force purposes and delivered to a place lawfully ceded to the United States, or delivered to a ship belonging to the United States

Navy for distribution and sale to members of the military establishment only, or when sold and delivered to ships regularly engaged in foreign or coastwise shipping between points in this State and points outside the State. Any goods, the sale of which is exempt by this section, may be stored and delivered without payment of the tax imposed by this chapter if stored and delivered in accordance with regulations to be promulgated by the South Carolina Tax Commission.

Current Reporting Procedures:

Presently, when beer and wine are sold by a distributor to the military, a four part form is completed. At the time of sale, two copies of the form are retained by the distributor and two copies are given to the military agency. Subsequently, both the distributor and the military forward a copy of the form to the Tax Commission.

New Procedure Established for Reporting Military Sales:

Effective for military sales of beer and wine occurring after December 31, 1989, distributors and military agencies will no longer be required to use Forms L-BW-1030A and L-W-1030A. All distributors will be required to adhere to the following procedure for reporting such sales.

A distributor of beer and wine, when filing the monthly beer or wine tax return, must attach an affidavit certifying sales were made to a military agency, in accordance with Section 12-21-100. The affidavit must contain the following information.

1. Name and address of the distributor
2. The distributor's file number
3. The date (invoice date) of each sale
4. The military agency and installation to which the beer or wine was delivered
5. The invoice number
6. The military purchase order number

The affidavit should contain the following statement, signed by the owner, partner or corporate officer (title or position should be noted).

I, _____,
Name Title/Position

for the firm of _____

affirm, under penalties of perjury, that the information in this affidavit concerning sales of beer/wine to the military is true and correct, to the best of my knowledge; that such sales were in fact made and delivered in accordance with the provisions of Section 12-21-100; that the above military sales have, to the best of my knowledge, been correctly and accurately reported on the monthly return to which this affidavit is attached; that any sale failing to meet the provisions of Section 12-21-100, or which is not supported by proper documentation, may, upon audit, be deemed taxable; and that I have read and understand the provisions of S.C. Code Section 12-54-40(6)(f)(1&2).

In addition, distributors should retain, in their files, copies of the affidavits, invoices, purchase orders and any other information or documentation necessary to verify the sales meet the exemption provisions of Code Section 12-21-100.

Any affidavits not meeting the requirements of this Revenue Procedure, or any sale to the military not documented by the proper invoices, purchase orders or other information, shall be deemed outside the provisions of Code Section 12-21-100 and, therefore, subject to tax. The burden of proof, that any sale falls within the exemption, is upon the distributor.

Attached, for the convenience of the taxpayer, is a sample affidavit form which may be copied and used when reporting military sales of beer or wine.

AFFIDAVIT

Military Sales of Beer/Wine for _____
Month/Year

Company Name (Distributor): _____ File No.: _____

Company Address:

Invoice	Military Agency	Military
<u>Date</u>	<u>& Installation</u>	<u>Invoice No.</u> <u>Purchase Order No.</u>

WINE:

Sizes	U.S. Std	12/23 oz		
<u>Cases *</u>	<u>12/24 oz</u>	<u>6/51.2 oz</u>	<u>4/128 oz</u>	<u>120/160 ml</u>

Total Cases Sold to the Military	_____	_____	_____	_____
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Sizes		24/375 ml		
		12/750 ml	12/1 ltr	
	<u>48/187 ml</u>	<u>6/1.5 ml</u>	<u>4/3 ltr</u>	_____

Total Cases Sold to the Military	_____	_____	_____	_____
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*Includes 48/8 oz., 24/12.8 oz., 24/16 oz., 12/25.6 oz., 12/32 oz., 6/64 oz.

Military Sales of Beer/Wine For _____
Month/Year

BEER:

Sizes	<u>24/7 oz</u>	<u>48/7 oz</u>	<u>12/12 oz</u>	<u>24/12 oz</u>	<u>24/14</u>
<u>oz</u>	_____				

Total Case Sold to the Military	_____	_____	_____	_____	_____
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Sizes	<u>24/16 oz</u>	<u>12/32 oz</u>	<u>1/4 keg</u>	<u>1/2 keg</u>	_____
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Total Case Sold to the Military	_____	_____	_____	_____	_____
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I, _____, for the firm of
Name Title/Position

_____ affirm, under penalties of perjury, that the information in this affidavit concerning sales of beer/wine to the military is true and correct, to the best of my knowledge; that such sales were in fact made and delivered in accordance with the provisions of Section 12-21-100; that the above military sales have, to the best of my knowledge, been correctly and accurately reported on the monthly return to which this affidavit is attached; that any sale failing to meet the provisions of Section 12-21-100, or which is not supported by proper documentation, may, upon audit, be deemed taxable; and that I have read and understand the provisions of S.C. Code Section 12-54-40(6)(f)(1&2).

SUBSCRIBED AND SWORN to
before me this ___ day _____ Signature
of _____, 19

_____ Date
Notary Public
My Commission Expires

PLEASE PRINT OR TYPE ALL INFORMATION