

Alcohol Reporting Frequently Asked Questions Retail Inventory Tracking System (RITS)

1. When is the alcohol report due?

The report is due on the 25th of the month after the reporting month. If the 25th is a Saturday, Sunday, or legal holiday, the next business day is the due date.

2. How is the alcohol report filed?

Alcohol reports must be filed electronically using the Comptroller's Retail Inventory Tracking System (RITS).

3. Is there tax due with the alcohol report?

No. But there are substantial penalties for not filing by the due date, or for filing a report determined to be incomplete.

4. What information needs to be included in a report?

The report must include all sales from each outlet (permitted business location) and each outlet must be identified by a separate Texas Alcoholic Beverage Commission (TABC) permit or license number.

Tax Code Section 151.462 requires the report include:

- Seller's TABC permit or license number for each separate location making a retail sale;
- Retailer's name and physical address (street name and number, city, state and ZIP);
- Retailer's taxpayer number assigned by the Comptroller;
- Beverage class of the product sold to the retailer (DS, W, B, ML only);
- Universal Product Code (UPC) of the product sold to the retailer;
- Brand name of the product sold to the retailer;
- Container size of the product sold to the retailer;
- Number of containers sold to the retailer for each brand, UPC and container size;
- Total selling price of all containers listed on each report line (**not** the per unit price).

5. What are the penalties that can be imposed?

Two types of civil penalties will be imposed if a report is filed after the due date or is determined to be incomplete. One is a \$50 penalty for each report filed after the due date (Tax Code Section 151.703(d)).

Additionally, Tax Code Section 151.468(b) requires the Comptroller to impose a civil penalty between \$25 and \$2,000 per day. The Comptroller has determined that the current civil penalty will be \$500 for the first day and \$25 per day thereafter until a complete report is filed.

A reporting entity may also be subject to a criminal penalty for refusing to furnish a report.

6. Can the Comptroller take other actions against a company that does not file a complete report?

Yes. If a civil penalty is imposed and remains unpaid, the Comptroller may file a lien or freeze assets to secure payment of the unpaid penalty. The Comptroller also may suspend or cancel sales tax permits issued to the reporting entity.

And, the Comptroller may notify the TABC of a reporting entity's failure to file a report, and the TABC may take administrative actions against the reporting entity under the Alcoholic Beverage Code.

7. What does it mean that a report is "determined to be incomplete"?

A report may be determined to be incomplete if the Comptroller finds, in an audit review or examination of any type, that the reporting entity failed to substantially comply with the requirements of the law.

Examples include, but are not limited to:

- omitting a field required to be reported under Tax Code Section 151.462;
- submitting invalid data in a required field (for example, submitting "99999" in UPC fields; and
- consolidating sales under a single TABC permit or license when the reporting entity holds and makes sales under multiple TABC permits.

8. Is the data an entity reports confidential?

Yes, data in these reports is confidential except for the limited disclosure provided in Tax Code Section 111.006, subsections (h) and (i). Those sections require the Comptroller to disclose information to certain persons regarding net sales by quantity, brand and size. The persons authorized to request this information must hold a specific permit or license type under the Alcoholic Beverage Code and may only request information regarding the sale of a product they distribute.