



Alcoholic Beverage Taxes – County

Cuyahoga County is the only county in the state that levies a separate local tax on alcoholic beverages – in 2008, the General Assembly prohibited localities from levying any new taxes on alcoholic beverages. However, in 2013, the General Assembly authorized Cuyahoga County to extend its current levy. Cuyahoga County levies the maximum rates specified in state law on gallons of beer, wine, mixed drinks, cider, and liquor. Revenues from these taxes (along with a portion of the county’s revenues from cigarette taxes) are used for construction and renovation costs for professional sports facilities in the county along with related economic development projects.

Alcoholic beverage taxes must be levied pursuant to a resolution adopted by the Board of County Commissioners and approved by a majority of voters in the county. Template ballot language is specified in state law. Cuyahoga County voters last approved an extension of their alcoholic beverage taxes (along with cigarette taxes) in May 2014, for a twenty-year period. In fiscal year 2014, a total of \$11.2 million was collected in the permissive alcohol taxes, with \$0.1 million deposited into the Department of Taxation’s administration fund and the remainder to be distributed to Cuyahoga County.

Taxpayer

(Ohio Revised Code 4301.422)

The tax is paid by manufacturers, importers, and wholesale distributors of beer, wine, cider, and mixed beverages (up to 21% alcohol by volume). The tax is also paid by the Ohio Department of Commerce’s Division of Liquor Control, the state’s sole purchaser and distributor of liquor containing more than 21% alcohol by volume.

Tax Base

(R.C. 4301.421 and 4301.01)

The tax applies to beer, wine, mixed beverages, cider, and liquor, defined as follows:

- Beer is brewed or fermented from malt products and contains at least 0.5% but not more than 12% alcohol by volume.
- Wine, including sparkling wine and vermouth but excluding cider, consists of fermented juices of grapes, fruits or other agricultural products. It contains at least 0.5% and not more than 21% alcohol by volume. By law,

wine with less than 4% alcohol is not subject to the alcoholic beverage excise tax.

- Mixed beverages are mixtures of wine or distilled spirits with carbonated or noncarbonated flavoring materials. They contain at least 0.5% and not more than 21% alcohol by volume.
- Cider consists of fermented juices of apples, including flavored, sparkling, or carbonated cider. It contains at least 0.5% and not more than 6% alcohol by weight.
- Liquor or “spirituous liquor” includes all intoxicating liquors that contain more than 21% alcohol by volume.

Rates

(R.C. 4301.421)

Cuyahoga County levies the maximum tax rates permitted under state law, as shown in the table below.

Table 1	
Maximum rates established in state law for county alcoholic beverage taxes	
Beverage	Rate per gallon
Beer	\$0.16
Wine and mixed drinks	\$0.32
Cider	\$0.24
Liquor	\$3.00

Exemptions

(R.C. 4301.421)

The tax does not apply to sacramental wine or to sales made to the federal government.

Disposition of Revenue

(R.C. 4301.423)

The county receives 98% of revenues the month after the revenues are collected by the Department of Taxation. Two percent of beer, wine, and mixed beverage tax revenues are allocated to the Department of Taxation to administer the tax.

Payment Dates

(R.C. 4301.422)

Returns and payments must be received by the last day of the month following the reporting period.

Special Provisions/Credits

(R.C. 4301.422)

Taxpayers receive a 2.5% discount for timely payment of taxes.

Administration

(R.C. 4307.04)

The Tax Commissioner administers the taxes for beer, wine, and mixed beverages. The Division of Liquor Control in the Department of Commerce administers the taxes for liquor.

Ohio Revised Code Citations

Sections 307.696, 307.697, 351.26, 4301.102, 4301.421, 4301.422, 4301.423, 4301.424, and 4307.04

Table 2			
Cuyahoga County Beer & Wine Liabilities Reported on Returns, Fiscal Years 2012-2014			
Type of Beverage	2012	2013	2014
Beer	\$4,293,194	\$4,147,193	\$3,974,425
Wine	\$1,322,898	\$1,307,209	\$1,262,308
Total	\$5,616,092	\$5,454,402	\$5,236,734

Source: Department of Taxation, as reported on tax returns.

History of Major Changes

1986	General Assembly authorizes county sports facility liquor taxes.
1990	General Assembly authorizes county sports facility taxes on beer, wine, and mixed beverages and amends law on county sports facility liquor taxes. Later, Cuyahoga County voters enact taxes on beer, wine, and liquor at the maximum rate through July 31, 2004.
1995	General Assembly permits counties to enact alcoholic beverage taxes that do not take effect until a current levy expires. Cuyahoga County voters approve a ten-year extension of beer, wine and liquor taxes, now due to expire July 31, 2014.
2008	General Assembly enacts House Bill 562, which includes a provision that prohibits future local taxes on alcoholic beverages.
2013	General Assembly enacts House Bill 59, the general budget bill, which includes a provision that specifically authorizes Cuyahoga County to renew the county alcoholic beverage (and cigarette) taxes for up to 20 years, by adopting a resolution to do so by September 15, 2015, subject to voter approval.
2014	Cuyahoga County voters approve (on May 6), to extend the alcoholic beverages (and cigarette) taxes at current rates for 20 years.

Table 3					
Collections from Alcoholic Beverages Taxes in Cuyahoga County					
Fiscal Year	Beer	Wine and Mixed Beverages	Liquor	State Admin Fee	Total
2010	\$4,087,377	\$1,183,347	\$5,091,900	\$107,566	\$10,470,190
2011	\$4,308,590	\$1,269,080	\$5,131,429	\$113,830	\$10,822,929
2012	\$4,207,330	\$1,296,440	\$5,299,406	\$112,322	\$10,915,498
2013	\$3,999,744	\$1,264,346	\$5,533,727	\$107,430	\$10,905,247
2014	\$4,020,209	\$1,305,882	\$5,738,612	\$108,696	\$11,173,399

Source: Ohio Office of Budget and Management fiscal reports.