



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. Cuyahoga County voters last approved an extension of their alcoholic beverage taxes (along with cigarette taxes) in May 2014, for a 20-year period. In fiscal year 2015, a total of \$11.9 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 percent alcohol by volume or ABV). 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 percent ABV.

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 percent but not more than 12 percent ABV.
- 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 percent and not more than 21 percent ABV. By law, wine with less than 4 percent 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 percent and not more than 21 percent ABV.
- Cider consists of fermented juices of apples, including flavored, sparkling or carbonated cider. It contains at least 0.5 percent and not more than 6 percent alcohol by weight.
- Liquor or "spirituous liquor" includes all intoxicating liquors that contain more than 21 percent ABV.

Rates

(R.C. 4301.421)

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

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 percent 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.

*Cuyahoga County has an 11-member County Council

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 percent 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

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 10-year extension of beer, wine and liquor taxes.
2008	House Bill 562 prohibits future local taxes on alcoholic beverages.
2013	House Bill 59 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 Sept. 15, 2015, subject to voter approval.
2014	Cuyahoga County voters extend alcoholic beverages (and cigarette) taxes at current rates for 20 years.

Table 1					
Cuyahoga County Alcoholic Beverage Tax Revenue					
Fiscal years 2013-2015					
(\$ in millions)					
Fiscal Year	Beer	Wine and Mixed Beverages	Liquor	State Administrative Fee	Total
2013	\$4.0	\$1.3	\$5.5	\$0.1	\$10.9
2014	4.0	1.3	5.7	0.1	11.2
2015	4.1	1.4	6.3	0.1	11.9

Source: Ohio Office of Budget and Management fiscal reports.

Table 2			
Cuyahoga County Beer & Wine Liabilities Reported on Returns,			
Fiscal Years 2013-2015			
(\$ in millions)			
Beverage	2013	2014	2015
Beer	\$4.1	\$4.0	\$4.1
Wine	1.3	1.3	1.4
Total	\$5.5	\$5.2	\$5.5

Note: Amounts represent tax liability as opposed to tax payments reported in Table 1.

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