

CS for SB 1037

1 THE STATE SENATE
2 Monday, February 28, 2000

3 Committee Substitute for
4 Senate Bill No. 1037

5 COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 1037 - By: LITTLEFIELD of
6 the Senate and FIELDS of the House.

7 [Intoxicating liquors - mixed beverage tax permits -
8 effective date]
9

10 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

11 SECTION 1. AMENDATORY 37 O.S. 1991, Section 577, as last
12 amended by Section 12, Chapter 1, O.S.L. 1995 (37 O.S. Supp. 1999,
13 Section 577), is amended to read as follows:

14 Section 577. A. Every holder of a mixed beverage, beer and
15 wine, caterer, hotel beverage or special event license, issued by
16 the Alcoholic Beverage Laws Enforcement Commission, shall obtain a
17 mixed beverage tax permit from the Oklahoma Tax Commission prior to
18 engaging, within this state, in the sale, preparation or service of
19 mixed beverages, ice, or nonalcoholic beverages that are sold,
20 prepared or served to be mixed with alcoholic beverages. Each
21 licensee shall file a verified application for a mixed beverage tax
22 permit with the Tax Commission, setting forth information as may be
23 required by the Tax Commission.

24 The Tax Commission, or its designated agent, shall issue,
25 without any fees or charges therefor, a mixed beverage tax permit in

1 the name of the licensee for the place of business set forth in the
2 application upon verification that:

3 1. The applicant is a holder of a mixed beverage, beer and
4 wine, caterer, hotel beverage or special event license issued by the
5 Alcoholic Beverage Laws Enforcement Commission;

6 2. The applicant has posted a surety bond or other negotiable
7 collateral to protect the proper payment of the gross receipts
8 taxes;

9 3. The applicant is a holder of a sales tax permit for the
10 place of business set forth in the application; and

11 4. The applicant is not delinquent in the payment of any gross
12 receipts taxes or sales taxes.

13 A mixed beverage tax permit ~~issued prior to September 1, 1994,~~
14 shall expire three (3) years after ~~September 1, 1994~~ issuance;
15 provided, if the holder thereof is also the holder of a sales tax
16 permit, a mixed beverage tax permit ~~issued prior to September 1,~~
17 ~~1994,~~ shall be valid for three (3) years or until expiration of the
18 sales tax permit, whichever is earlier, after which a renewal permit
19 shall be valid for three (3) years. ~~The manner for renewals of less~~
20 ~~than three (3) years shall be prescribed by the Tax Commission.~~

21 B. A separate mixed beverage tax permit for each place of
22 business to be operated must be obtained and no charge therefor
23 shall be made by the Tax Commission. The Tax Commission shall grant

1 and issue to each applicant a separate permit for each place of
2 business in this state, upon proper application therefor and
3 verification thereof by the Tax Commission.

4 C. A mixed beverage tax permit is not assignable and shall be
5 valid only for the person in whose name it is issued and for the
6 transaction of business at the place designated in the permit.

7 D. It shall be unlawful for any person to engage in a business
8 subject to the provisions of this section prior to the issuance of a
9 mixed beverage tax permit. Any person who engages in a business
10 subject to the provisions of this section without a mixed beverage
11 tax permit or permits, or after a permit has been suspended, shall
12 be guilty of a misdemeanor, and upon conviction thereof, shall be
13 fined not more than One Thousand Dollars (\$1,000.00) or incarcerated
14 for not more than sixty (60) days, or by both such fine and
15 imprisonment.

16 E. Any person operating under a mixed beverage tax permit as
17 provided in this section shall, upon discontinuance of business by
18 sale or otherwise, return such permit to the Tax Commission for
19 cancellation, together with payment of any unpaid or accrued taxes.
20 Failure to surrender a mixed beverage tax permit and pay any and all
21 accrued taxes will be sufficient cause for the Tax Commission to
22 refuse to issue a mixed beverage tax permit subsequently to such
23 person to engage in or transact any business in this state subject

1 to the provisions of this section. Upon cancellation of a mixed
2 beverage tax permit as provided herein, the Tax Commission shall
3 audit the establishment for which the mixed beverage tax permit was
4 issued. Any and all taxes, including penalty and interest thereon,
5 that accrued prior to cancellation of the mixed beverage tax permit
6 shall remain the obligation of the person who held the permit and
7 shall not become an obligation of a subsequent owner of the premises
8 for which the mixed beverage tax permit was issued.

9 F. Whenever a holder of a mixed beverage tax permit fails to
10 comply with any provisions of any state alcoholic beverage laws or
11 tax laws, the Tax Commission, after giving ten (10) days' notice in
12 writing of the time and place of hearing to show cause why this
13 permit should not be revoked, may revoke or suspend the permit. A
14 mixed beverage tax permit shall be renewed upon removal of cause or
15 causes of revocation or suspension. Mixed beverage tax permits are
16 conditioned upon the proper and timely payment of all taxes due and
17 in the event a holder of a mixed beverage tax permit becomes
18 delinquent in reporting or paying any tax due under the provisions
19 of state tax law, any duly authorized agent of the Tax Commission
20 may cancel the permit and it shall be renewed only upon the filing
21 of proper reports and payment of all taxes due and application for
22 renewal in accordance with subsection A of this section.

1 G. Upon revocation or suspension of the mixed beverage, beer
2 and wine, caterer, hotel beverage or special event license by the
3 ABLE Commission, the Tax Commission, or its duly authorized agent,
4 shall temporarily suspend the mixed beverage tax permit issued to
5 ~~said~~ the licensee in accordance with Section 212 of Title 68 of the
6 Oklahoma Statutes.

7 SECTION 2. This act shall become effective November 1, 2000.

8 COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 2-22-00 - DO PASS,
9 As Amended.