

IMPORTANCE OF UNIFORMITY

Alcohol taxes are a vital part of every state's revenue base, providing funding for a wide variety of programs. Uniformity makes it easier to ensure that each state is getting the fairest share of the revenue it deserves.

EVASION AND LACK OF UNIFORMITY

Although there are many similarities, each state has its own unique set of tax laws, tax rates, reporting forms, definitions, exemptions, and compliance methods. These differences can create problems in tax administration, regulation of alcohol and alcohol movement, enforcement efforts, exchange of information among state revenue agencies, and provide incentives for some to evade state alcohol taxes.

Reliable estimates of evasion and diversion aren't always available, even though numerous research projects have tried to determine losses.

BENEFITS OF UNIFORMITY ACTIVITIES

The FTA Alcohol Uniformity Committee will develop and foster a unique and effective partnership between industry and state, federal, and foreign governments regarding alcohol tax administration and enforcement.

The result of this partnership should be an international network of information established that covers most everything related to alcohol taxation. This information will be made available to the states through the Alcohol Uniformity Committee meetings and FTA's website at www.taxadmin.org.

The overall benefits for states participating in FTA Alcohol Uniformity Committee is utilizing its resources to improve compliance, minimized administrative costs, increased training for audit and enforcement staff, and easy access to quality information. The FTA Alcohol Uniformity Committee won't dictate procedures for states to follow, but rather will provide guidance for states to use at their discretion when it comes to Alcohol tax enforcement and administration.

An environment of open communication and cooperation exists among industry and all levels of government. This reduces costs for all partners, minimizes the burden on the alcohol industry, controls administrative costs, and fosters a combined effort to control evasion and level the playing field in the alcohol arena.

UNIFORMITY COMMITTEE MISSION STATEMENT

Provide an opportunity for government and industry to partner for the efficient and effective reporting and remittance of alcohol taxes, to minimize alcohol tax evasion and to act as an information resource to stakeholders.

UNIFORMITY COMMITTEE GOALS

1. Implement all aspects of the 10-Point Plan.
2. Foster communication between and among levels of government, industry related associations, and interest groups and their representatives.
3. Encourage coordination of efforts among stakeholders in audit and enforcement.

4. Encourage sharing information among enforcement, revenue, attorneys general and federal agencies in areas related to alcohol revenue.

5. Educate the alcohol community in areas of audit and enforcement techniques, reporting requirements, and how to identify actual and potential evasion schemes.

6. Encourage active participation by stakeholders in Uniformity meetings. Inform stakeholders on how the goals of uniformity are designed to work for all members of the alcohol community.

7. Encourage uniformity in reporting definitions and forms.

8. Prepare for change by staying informed on emerging topics and trends, by assuring personnel are fully informed to allow for ease of transition, and by being open to new ideas and methods for revenue reporting and remittance.

THE 10- POINT PLAN

The 10-Point Plan was created as an overall strategy for combating alcohol tax evasion. The general theme behind the Plan is the total accountability of all alcohol and sharing of information.

Point 1 – Adopt/implement uniform reporting guidelines by all states.

Point 2 – Adopt/implement uniform definitions and forms.

Point 3 – Incorporate the Federal Employers Identification number (FEIN), Social Security number (SSN), or Canadian Federal Business

number (BN) as a reference for reporting information between jurisdictions.

Point 4 – Promote licensing of all persons that handle alcohol.

Point 5 - Adopt/implement procedures to achieve total accountability of alcohol.

Point 6 – Utilize uniform electronic reporting standards for alcohol information.

Point 7 – Promote workshops for audit and investigative techniques to identify tax evasion schemes and ensure regulatory compliance.

Point 8 – Review and establish Memorandums of Understanding to promote and share information that will facilitate alcohol tax compliance.

Point 9 – Utilize third party information on the movement of alcohol.

Point 10 – Encourage states to establish and adequately maintain a compliance staff dedicated to alcohol tax enforcement.

The 10-Point Plan offers the best method for achieving uniformity, reducing inefficiencies in state alcohol tax administration, and combating tax evasion.



ALCOHOL UNIFORMITY PROJECT



BENEFITS OF ALCOHOL UNIFORMITY

FOR MORE INFORMATION

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SUBCOMMITTEE**

FORMS