



County Technical Assistance Service

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Beer Tax (Barrels Tax)

Dear Reader:

The following document was created from the CTAS electronic library known as e-Li. This online library is maintained daily by CTAS staff and seeks to represent the most current information regarding issues relative to Tennessee county government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other e-Li material.

Sincerely,

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Beer Tax (Barrels Tax)

Reference Number: CTAS-1628

Authority. T.C.A. §§ 57-5-201 through 57-5-208.

Description. The beer tax is a privilege tax paid by every person, firm, corporation, joint stocks company, syndicate or association in this state storing, selling, distributing or manufacturing beer and alcoholic beverages of less than eight percent (8%) alcoholic content by weight. T.C.A. § 57-5-201. The beer tax is a state tax and no county or municipality may levy any like tax. Individuals or businesses that sell or distribute beer collect this tax and pay over the sums collected to the Department of Revenue on or before the 20th day of the month following the month in which the tax accrues. T.C.A. §§ 57-5-201, 57-5-202, 57-5-203.

Rate. \$4.29 per barrel. T.C.A. § 57-5-201.

Distribution. The beer tax is distributed as follows:

1. \$3.79 of the \$4.29 tax rate is distributed:
 - a. Up to 4 percent to the Department of Revenue to defray the expenses of administration of this tax. T.C.A. § 57-5-202.
 - b. Of the remainder
 - (1) 10.05 percent to the several counties equally for general purposes.
 - (2) 10.05 percent to the incorporated municipalities according to population for general purposes.
 - (3) 0.41 percent to the Department of Mental Health and Mental Retardation to assist municipalities and counties in carrying out the provisions of the Comprehensive Alcohol and Drug Treatment Acts of 1973.
 - (4) The remainder (or 79.49 percent) to the state general fund. T.C.A. § 57-5-205.
 2. \$0.50 of the \$4.29 tax to the state highway fund to be used to fund programs for the prevention and collection of litter and trash. T.C.A. § 57-5-201.
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