



Susan Combs Comptroller of Public Accounts

Notice to Mixed Beverage License Holders

A recent Comptroller decision concluded that, under most circumstances, cover charges, door charges, entry fees or admission fees collected by mixed beverage license holders are subject to sales tax as taxable amusement services.

Cover charges, door charges, entry fees or admission fees are subject to mixed beverage gross receipts tax only after the Texas Alcoholic Beverage Commission (TABC) determines that the license holder is in violation of TABC Rule 45.103. That is, mixed beverage gross receipts tax is due if the license holder collects a cover charge, door charge, entry fee or admission fee for the purpose of recovering financial losses incurred because of reduced or low drink prices.

The Comptroller's mixed beverage gross receipts tax Rule 3.1001 is being revised to follow this decision.

You may have overpaid taxes if you reported taxable cover charges, door charges, entry fees or admission fees on your mixed beverage gross receipts tax return. To receive a refund, you will need to amend your mixed beverage gross receipts tax return to reduce taxable cover charges and amend your sales tax return to include the amount of cover charges in taxable sales for each period for which you overpaid mixed beverage gross receipt taxes. There is a four year statute of limitations to amend tax returns for the overpayment of taxes.

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For more information and forms, go to www.window.state.tx.us/taxinfo/mixbev/index.html