

Division of Taxation
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Liquor Drink Tax Bond Relief Notice

Kansas Administrative Regulation 92-24-23(a) states “Each applicant or licensee making application for a new license or for renewal of an existing license shall post or have posted with the department of revenue a bond in an amount equal to three months’ average liquor drink tax liability or \$1,000, whichever is greater, at the time of the application. New applicants who have no previous tax experience may estimate their expected liquor drink tax liability projected over a 12-month period and submit a bond in an amount equal to 25% of the projected tax liability or \$1,000, whichever is greater.” Liquor drink tax accounts are reviewed at least annually, and bonds are increased if the three-month average liquor drink tax liability is higher than the current bond amount.

Licensees who have been compliant with K.S.A.79-41a01 *et seq.* for a minimum of **24 consecutive months** may request a waiver of the bond requirement. The request must be submitted **in writing**. The written request **MUST**:

- be addressed to the “Miscellaneous Tax Supervisor”, in the Division of Taxation
- expressly request that the bond requirement be waived, and
- contain a notarized signature of the sole proprietor licensee, a partner in the partnership, a member of the LLC or an officer of the corporation. **Signatures of process agents will not be accepted.**

If a waiver of the bond requirement is requested, a Miscellaneous Tax representative will review the liquor drink tax account and inform the licensee if the waiver will be granted. The criteria used to determine “24 consecutive months of compliance” with K.S.A. 79-41a01 *et seq.* and amendments thereto is:

- no balance due or underpayment of the liquor drink tax
- no non-filed periods
- no returned checks
- no late payments

If, after the bond is released, a licensee fails to meet any of the above criteria for being compliant with filing and remitting the liquor drink tax, a new bond will be required.

Upon verification that the licensee has met the bond waiver requirements, a bond release letter will be sent to the financial institution or surety company, with a copy to the licensee, releasing the bond within 60 days. If the bond is a cash bond, licensee must surrender the **original cash bond receipt** that was issued when the bond was submitted.

This bond waiver is only applicable for licensees subject to the liquor drink tax requirement, K.S.A. 79-41a01 *et seq.*

Submit your bond relief request to: Miscellaneous Tax Supervisor
Division of Taxation
Kansas Department of Revenue
PO Box 3506
Topeka, KS 66601-3506

If you have any questions, please contact the Miscellaneous Tax team at 785-368-8222, or you may email us at: kdor_Miscellaneous.Tax@ks.gov