

Article 7 - TAX AND TAX STAMPS; CROWNS AND LIDS

(Last amended in 1988)

14-7-1. (Authorized by K.S.A. 41-211, 41-501a, 41-502, K.S.A. 1965 Supp. 41-210, 41-501; effective Jan. 1, 1966; revoked May 1, 1986.)

14-7-2. Beer, crowns, lids, and labels; stamping of master carton, keg shipments. (a) Beer containing more than 3.2% of alcohol by weight shall not be required to have an identifying mark on each container evidencing Kansas tax paid.

(b) All labels attached to the original package shall be approved by the director of alcoholic beverage control before the package may be sold in the state of Kansas.

(c) Each case of bottled or canned beer shipped into the state of Kansas by a beer manufacturer or supplier shall have the legend, "Kansas strong," or other appropriate language, stamped in black lettering on the exterior master carton in any position normally used for code dates, or as approved by the director. Labels, crowns and lids used for the packaging of strong beer for the state of Kansas shall not be required to indicate the alcoholic content. All kegs of strong beer shipped into the state of Kansas shall be identified by a distinctive bung.

(Authorized by K.S.A. 1987 Supp. 41-210; implementing K.S.A. 41-211, 41-503; effective Jan. 1, 1966; amended Sept. 26, 1988.)

14-7-3. (Authorized by K.S.A. 41-211, 41-504, 41-505, K.S.A. 1972 Supp. 41-210; effective Jan. 1, 1966; amended Jan. 1, 1968; amended Jan. 1, 1973; revoked Sept. 26, 1988.)

14-7-4. Alcoholic liquor and cereal malt beverage; payment of tax; bond required. (a) The tax on alcoholic liquor and cereal malt beverage, as levied by the act and payable by a distributor, shall be paid by the distributor on or before the 15th day of the calendar month succeeding the month in which the distributor acquires possession of any alcoholic liquor upon which the tax has not been paid. The payment shall be by check and shall be accompanied by a report to the director, upon forms to be furnished by the director. The report shall show separately the exact total amount, in gallons or in fractions of gallons, of the following types of alcoholic beverages received by the distributor during the preceding month:

- (1) Wine containing 14% or less of alcohol by volume;
- (2) Wine containing more than 14% of alcohol by volume;
- (3) Alcohol and spirits;
- (4) Beer, containing more than 3.2% alcohol by weight; and
- (5) Cereal malt beverages, containing 3.2% or less alcohol by weight.

(b) Any sheriff who possesses alcoholic liquor, except beer, that is to be sold under an order of a court which has jurisdiction and upon which the tax has not been paid, shall file a report that provides the description and the amount of all alcoholic liquor to be sold. The report shall be filed on forms furnished by the director. The tax due and owing upon the liquor shall be paid out of the money received by the sheriff at the sale. The tax shall be remitted with the report, by cash, certified check, bank draft, post office or express money order.

(c)(1) Each licensed distributor shall furnish a bond payable to the director for the term of the license of the distributor. The bond shall be in a penal sum fixed and in a form approved by the director, shall be executed by the distributor as principal and by a corporate surety authorized to do business in the state of Kansas as surety and shall be conditioned upon the payment of the tax and penalties imposed by the act and this regulation upon such distributor.

(2) Any distributor may furnish, in lieu of this required bond, one or more certificates of deposit, corporate stock certificates, revenue bonds, or similar forms of collateral in the required amount. The collateral shall be deposited in an escrow account to be held by any recognized professional escrow agent. The escrow agreement shall be submitted upon a form provided by the director. All escrow agreements shall be subject to the director's approval.

(3) The amount of the bond shall be fixed by the director as follows:

(A) Each licensed spirits distributor shall furnish a bond equivalent in amount to the distributor's estimated highest monthly tax liability. However, the total amount of the bond shall not be less than \$15,000.

(B) Each licensed wine distributor shall furnish a bond equivalent to the distributor's estimated highest monthly tax liability. However, the total amount of the bond shall not be less than \$5,000.

(C) Each licensed beer distributor shall furnish a bond equivalent to the distributor's estimated highest monthly tax liability. However, the total amount of the bond shall not be less than \$5,000.

(d) A licensed distributor shall not accept any money from a manufacturer or another distributor to be used for the payment of the tax on alcoholic liquor. A distributor or manufacturer shall not advance any money to a licensed distributor for the purpose of paying that tax.

(Authorized by K.S.A. 1989 Supp. 41-210; implementing K.S.A. 1989 Supp. 41-409, 41-502, 41-317; effective Jan. 1, 1966; amended Jan. 1, 1968; amended Jan. 1, 1973; amended Jan. 1, 1974; amended May 1, 1984; amended May 1, 1985; amended Oct. 1, 1988; amended Aug. 6, 1990.)

14-7-5. (Authorized by K.S.A. 41-211, 41-502, K.S.A. 1965 Supp. 41-210; effective Jan. 1, 1966; revoked Jan. 1, 1974.)

14-7-6. Kansas liquor stamps or strips; securing, affixation to original package; who shall affix; placing of stamps or strips. (a) All alcoholic liquor other than beer, wine and brandy, shall be identified by a Kansas liquor identification stamp or strip which shall be placed thereon for identification in accordance with the rules and regulations of the director. The provisions of this regulation shall not apply to beer, wine and brandy sold or distributed in the state of Kansas.

(b) The Kansas liquor identification stamp shall be affixed to each original package of the alcoholic liquor at the place where the alcoholic liquor is manufactured. When alcoholic liquor is bottled in a foreign country and is imported into the United States, the Kansas liquor identification stamps, or strips may be affixed to the original packages by the person importing them into the United States as the place within the United States where the shipment of alcoholic liquor into the state of Kansas originated. A licensed distributor or licensed manufacturer may stamp in the bonded distributor's warehouse any alcoholic liquor bottled in a foreign country, within 96 hours after receiving the alcoholic liquor in the bonded warehouse in the manner prescribed by the act and the rules and regulations of the director. Nothing contained in this rule and regulation shall be construed as changing or altering the provisions of the act or rules and regulations of the director.

(c) Each Kansas liquor identification stamp on alcoholic liquor shall be placed in a horizontal position upon a smooth surface on the front side, neck or shoulder of each original package in such a manner that the stamp will be plainly visible. Discretion shall be exercised in selecting the location for the Kansas liquor stamp to avoid mutilation of the stamp and the covering of any age, designation, bottled-in-bond identification, brand name or other information.

(d) When Kansas liquor identification strips are placed on original containers of alcoholic liquor instead of the identification stamp, each strip shall be placed over the cap or top of the bottle and down the neck, and shoulder of the bottle, in the location where federal revenue strips were formerly placed.

(e) Other alternate stamping methods may be approved by the director.

(Authorized by K.S.A. 41-210 and 41-211, as amended by L. 1985 Ch. 170, Sec. 3; implementing K.S.A. 41-502; effective Jan. 1, 1966; amended Jan. 1, 1984; amended May 1, 1986.)

14-7-7. (Authorized by K.S.A. 41-211, 41-502, K.S.A. 1965 Supp. 41-210; effective Jan. 1, 1966; revoked Jan. 1, 1974.)

14-7-8. (Authorized by K.S.A. 41-211, 41-409, 41-505, K.S.A. 1965 Supp. 41-210, 41-501; effective Jan. 1, 1966; revoked Sept. 26, 1988.)

14-7-9. (Authorized by K.S.A. 41-210, 41-211; effective Jan. 1, 1974; amended, E-74-36, July 2, 1974; amended May 1, 1975; amended Feb. 15, 1977; amended May 1, 1982; revoked May 1, 1983.)

14-7-10. Beer distributors must provide designated geographic territory. Before commencing or continuing business every manufacturer or distributor of beer and every importer of beer must file with the director a diagram in a form approved by the director, showing the designated territory within which the distributor will distribute beer to retailers. The said territory shall be agreed upon in writing by the manufacturer and distributor and a copy of the written agreement concerning the designated geographic territory must be filed with the director.

(Authorized by K.S.A. 41-210, 41-211, K.S.A. 1974 Supp. 41-409; effective May 1, 1975.)

14-7-11. Change or modification of geographic territory. The geographic territory within which any distributor does distribute beer to retailers may not be changed, modified, or cancelled without the written consent of both the manufacturer and distributor and a verified copy of the consent must be filed by the manufacturer and distributor with the office of the alcoholic beverage control division and acknowledged before said change or modification will be effective.

(Authorized by K.S.A. 41-210, 41-211, K.S.A. 1974 Supp. 41-409; effective May 1, 1975.)

14-7-12. Beer distributor selling outside his designated geographic territory. No beer distributor shall sell beer to any retailer who is located outside the geographic territory designated in the notice filed with the director by the distributor: Provided, That, if any beer distributor shall refuse to sell beer or provide service in connection therewith to any retailer located within such beer distributor's geographic territory, it shall be lawful for any other beer distributor to sell beer to such retailer after getting approval from the director.

(Authorized by K.S.A. 41-210, 41-211, K.S.A. 1974 Supp. 41-701; effective May 1, 1975.)