

PRIVILEGE **TAX** FREQUENTLY ASKED QUESTIONS

WHAT IS A PRIVILEGE TAX?

Oregon assesses a tax on the privilege of making malt beverages, wine, or cider in Oregon or shipping or importing malt beverages, wine, or cider into Oregon. This is called a privilege tax.

WHAT IS A PRIVILEGE TAX BOND?

This is a bond that makers of malt beverages, wine, or cider in Oregon and shippers and importers of malt beverages, wine, or cider into Oregon are required to obtain. It allows the OLCC to collect payment if the privilege taxes are not paid.

IS THERE AN EXEMPTION FROM THE PRIVILEGE TAX BOND REQUIREMENT?

OLCC may waive the privilege tax bond requirement for licensees and permit holders who meet specific criteria.

WHO IS RESPONSIBLE FOR FILING PRIVILEGE TAX REPORTING DOCUMENTS WITH THE OLCC AND PAYING THE PRIVILEGE TAX?

- Malt beverages, wine, and cider manufactured in Oregon, are assessed Privilege Tax. The Oregon licensee who removes the product from Federal bond is responsible for reporting and payment to the OLCC.
- Malt beverages, wine, and cider imported or shipped into Oregon by an Oregon brewery, grower sales privilege, warehouse, wholesale malt beverage and wine, or winery licensee: the first Oregon licensee who received the product from out of state is responsible for both reporting and paying the privilege tax.
- Wine or cider shipped into Oregon by the holder of a Direct to Retailer (DTR) license to a qualifying retail licensee: the DTR licensee is responsible for reporting and paying the privilege tax.
- Wine or cider received by a qualifying Oregon retail licensee from a DTR: the Oregon retail licensee is responsible for reporting requirements. Current reporting requirements are under consideration by the Oregon legislature.



**For more information,
contact the Privilege Tax
Team at:**

OLCC.PrivilegeTaxOnline@olcc.oregon.gov

**For more information on
the bond requirement
please contact:**

OLCC.Bonds@olcc.oregon.gov



Our Mission

OLCC oversees access to alcohol and cannabis products in Oregon through education, regulation, and distilled spirits distribution. Our aim is to protect public health and safety while supporting responsible businesses and provide funding for local and state agencies.

- Malt beverages, wine, and cider shipped into Oregon by the holder of a Direct Shipper (DS) license to an Oregon consumer: the holder of the DS is responsible for both reporting and paying the privilege tax.
- Malt beverages, wine, and cider shipped into Oregon by the holder of a Certificate of Approval (CERA) to an Oregon brewery, grower sales privilege, warehouse, wholesale malt beverage and wine, or winery licensee: the holder of the CERA is responsible for reporting requirements.

WHEN AM I REQUIRED TO FILE PRIVILEGE TAX REPORTING DOCUMENTS WITH THE OLCC?

All Privilege Tax returns are due on the 20th of the month following the end of the reporting period.

Winery and GSP licenses may file annually if no tax is due for the entire year.

DS – Direct Shippers file quarterly.

All other licenses must file monthly: Breweries, Brewpubs, Warehouse, WMBW, CERA, DTR and Retailers.

DO I NEED TO FILE PRIVILEGE TAX REPORTING DOCUMENTS WITH THE OLCC EVEN IF THERE WAS NO ACTIVITY DURING THE REPORTING PERIOD?

Yes. Privilege tax returns are required even if the licensee has no activity.

IS THERE AN EXEMPTION TO PAYING THE PRIVILEGE TAX?

ORS 473.050 addresses when privilege taxes are not imposed. Here are the primary scenarios:

- Malt beverage, Wine, and Cider exported from Oregon. Export credit may be taken by the manufacturer or distributor that originally paid the Privilege Tax.
- The first 40,000 gallons of wine sold in Oregon from a US manufacturer of wines producing less than 100,000 gallons annually are exempt from Privilege Tax. This is known as the SWE – small winery exemption.