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SENATE BILL NO. 788

Offered January 23, 2026

A *BILL to amend and reenact § 4.1-332 of the Code of Virginia, relating to alcoholic beverage control; payment of excise tax on beer, wine coolers, and wine; penalties.*

Patrons—Perry; Delegate: McAuliff

Referred to Committee on Rehabilitation and Social Services

Be it enacted by the General Assembly of Virginia:

1. That § 4.1-332 of the Code of Virginia is amended and reenacted as follows:

§ 4.1-332. Nonpayment of excise tax on beer, wine coolers, and wine; additional penalties.

A. No person shall sell (i) beer or wine coolers to retailers or consumers without paying the excise tax imposed by § 4.1-236 or (ii) wine to retailers or consumers without paying the excise tax imposed by subsection A of § 4.1-234. No retailer shall purchase, receive, transport, store or sell any beer, wine coolers, or wine on which such retailer has reason to know such tax has not been paid and may not be paid.

Any person convicted of a violation of this subsection shall be guilty of a Class 1 misdemeanor.

B. In addition to subsection A, on each manufacturer, bottler, or wholesaler who fails to make any return and pay the full amount of the tax required by § 4.1-236 or subsection A of § 4.1-234, as applicable, there shall be imposed a civil penalty to be added to the tax ~~in the amount of~~ *not to exceed* five percent of the proper tax due if the failure is for not more than ~~thirty~~ 30 days, with an additional five percent for each additional ~~thirty~~ 30 days, or fraction thereof, during which the failure continues. Such civil penalty shall not exceed ~~twenty-five~~ 25 percent in the aggregate. In the case of a false or fraudulent return, where willful intent exists to defraud the Commonwealth of any excise tax due on beer, wine coolers, or wine, a civil penalty of ~~fifty~~ 50 percent of the amount of the proper tax due shall be assessed. All penalties and interest shall be payable to the Board and if not so paid shall be collectible in the same manner as if they were a part of the tax imposed.

C. After reasonable notice to the manufacturer, bottler, wholesaler or retailer, *he shall have 60 days in which to make the return and pay the full amount of the excise tax. If the manufacturer, bottler, wholesaler, or retailer fails to make any return or to pay the full amount of the excise tax within the 60-day period, the Board may suspend or revoke the license of the manufacturer, bottler, wholesaler or retailer who has failed to make any return or to pay the full amount of the excise tax.*

2. That by November 1, 2026, the Virginia Alcoholic Beverage Control Authority (the Authority) shall implement an online electronic system for wholesale wine licensees to (i) report to the Authority the purchases and sales made during the preceding month and the amount of state wine tax collected from retailers pursuant to §§ 4.1-234 and 4.1-236 of the Code of Virginia and (ii) provide payment for the amount of taxes collected, less any refunds, replacements, or adjustments.

INTRODUCED

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