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SENATE BILL NO. 788  
AMENDMENT IN THE NATURE OF A SUBSTITUTE  
(Proposed by the Senate Committee on Rehabilitation and Social Services  
on \_\_\_\_\_)  
(Patron Prior to Substitute—Senator Perry)

*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.*

**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~~ submit any report pursuant to 3VAC5-60-20 and 3VAC5-60-25 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 *is given* to the manufacturer, bottler, wholesaler, or retailer, *he shall have 60 days in which to submit the report and pay the full amount of the excise tax. If the manufacturer, bottler, wholesaler, or retailer fails to submit the report 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. In the absence of willful intent to defraud the Commonwealth, if the manufacturer, bottler, wholesaler, or retailer submits any report and pays*

32 *the full amount of the excise tax, including any civil penalties imposed under this section, within the 60-day*  
33 *period, the violation shall be deemed cured and no further action shall be brought against such licensee on*  
34 *the matter.*

35 **2. That by November 1, 2026, the Virginia Alcoholic Beverage Control Authority (the Authority) shall**  
36 **implement an online electronic system for manufacturer and wholesale wine licensees to (i) report to**  
37 **the Authority the purchases and sales made during the preceding month and the amount of state wine**  
38 **tax collected from retailers pursuant to §§ 4.1-234 and 4.1-236 of the Code of Virginia and 3VAC5-**  
39 **60-20 and 3VAC5-60-25 of the Virginia Administrative Code and (ii) provide payment for the amount**  
40 **of taxes collected, less any refunds, replacements, or adjustments.**