



SERVING ON-PREMISES ALCOHOLIC BEVERAGES IN THE CITY OF BURNET

Adoption of the Local Option

In 2000, a local option election was held and the citizens approved the legal sale of alcoholic beverages in restaurants by food and beverage certificate holders. This includes the sale of mixed beverages, beer and wine. Under this permit, at least 50% of the sales of an establishment must be for food. The City Council ratified that percentage through adoption of an ordinance to that effect. (*Burnet Code of Ordinances Chapter 6, Alcoholic Beverages.*)

Does it matter where I put my business?

Yes, you cannot sell alcoholic beverages within 300' of a church, hospital, school, or other educational institution. The location for the sales of alcoholic beverages is restricted to zoning districts pursuant to the currently adopted zoning ordinance. The zoning ordinance is available online by going to the City of Burnet website and clicking Code of Ordinances on the left hand side of the webpage.

What permits do I need?

To serve alcoholic beverages for consumption on your premises, you must contact the Texas Alcoholic Beverage Commission (TABC) to make application for a license and the associated food and beverage permit. You can either apply for a Mixed Beverage Permit (RM) with a Food and Beverage Certificate (FB), or you can apply for a Beer and Wine Permit¹ (BG) with a Food and Beverage Permit (FB). The costs for these licenses and permits can be found on the TABC website. The RM/FB license will allow you to sell mixed beverages as well as beer and wine with your meals. The BG/FB license will only allow you to sell beer and/or wine with your meals.

You must also obtain a permit from the City of Burnet to manufacture, sell, distribute or store any intoxicating liquor, malt liquor, or other alcoholic beverage, or engage in any other activity with relation to the same for which a permit is required by TABC. **After the third year of issuance of a TABC permit**, you will be charged an annual permit/license fee by the City. The cost of permit/license is equal to one-half the annual state permit and license fees charged by TABC. For example: if an RM permit for the fourth year is \$1,500, your City permit would be \$750 per year.

What about the gross receipts tax?

The Texas State Comptroller of Public Accounts requires that you collect and pay the Texas Mixed Beverage Gross Receipts Tax on your mixed beverage sales. (*See At A Glance below*). You must make application to the Comptroller's office and may need, depending upon the type of license you are requesting, to post a bond as a surety for your gross receipts tax.

¹ Effective September 1, 2013

The bond assures the Comptroller that you will collect and pay the taxes when due. The Comptroller sets the amount of the bond depending upon your estimated volume of sales. Usually, the minimum is \$7,500 regardless of the product you are serving. The bond can be a surety bond, a Certificate of Deposit, a letter of credit from your bank or other surety. You should contact the Comptroller's office for more information on the gross receipts tax and the associated bond.

Late Hours

In the city of Burnet, Texas, the holder of a mixed beverages late hours permit is authorized to sell and offer for sale mixed beverages during extended hours as prescribed in Texas Alcoholic Beverage Code §105.03 as amended from time to time. Also, the holder of a retail dealer's on-premises late hours permit is authorized to sell, offer for sale, and deliver beer during extended hours as prescribed in the Texas Alcoholic Beverage Code § 105.05 as amended from time to time.

Where can I get more information?

At the City of Burnet you can contact the Building Official at 512.715.3216.

Contact TABC at 512.451.0240 (Austin District) or go online to www.tabc.state.tx.us

Contact the Texas State Comptroller at 800.252.5555 or go online to www.window.state.tx.us

AT A GLANCE

(Printed from the Texas State Comptroller's Office website, <http://window.state.tx.us/taxinfo/mixbev/index.html>)

Description

A gross receipts tax is imposed on the amount received from the sale or service of mixed beverages or from the sale, preparation, or service of ice or nonalcoholic beverages that are sold prepared or served for the purpose of being mixed with an alcoholic beverage and consumed on the premises of the mixed beverage permittee.

The mixed beverage tax is imposed on the person or organization holding the mixed beverage permit and not the customer. It may not be added to the selling price as a separate charge and may not be backed out from the amount received. Any reimbursement you choose to collect from your customer must be clearly labeled as a "reimbursement." Reimbursements, however, become part of the tax base. An amount labeled as a "tax" is fully due to the state, in addition to the mixed beverage tax.

Due Date

Monthly: 20th day of the month following the end of each calendar month. (Effective 10/1/2011, a \$50 late filing penalty will be assessed on every report filed after the due date.

Rate

14% (.14) of gross receipts.

Toll Free Number

1-800-252-5555