

SHSU Policy regarding the purchase of alcoholic beverages:

PRE-01

- Alcohol should be purchased using gift funds only.
- The sale or service of alcohol must be approved by University Administrators.
- Alcohol must be served by a licensed caterer.

Types of taxes applicable to alcohol:

There are two mixed beverage taxes, both based on the sale, preparation or service of alcoholic beverages and mixers. The permittee (seller) pays the mixed beverage gross receipts tax to the state, and the customer pays the seller the mixed beverage sales tax, which is then remitted to the state.

1. Mixed Beverage Sales Tax:
 - a. Applies to the sale of each mixed beverage
 - b. This tax is in addition to the “mixed beverage gross receipts tax”
 - c. This tax *can* be passed to the customer by adding a line item for the sales tax on the bill or including it in the sales price.
 - d. The mixed beverage sales tax is *not* used to calculate the mixed beverage gross receipt tax.
 - e. Rate of 8.25%
2. Mixed Beverage Gross Receipts Tax:
 - a. This is in addition to the “mixed beverage sales tax”
 - b. Anyone who sells, prepares or *serves* mixed beverages must pay this tax
 - c. The person or organization holding the mixed beverage permit must pay the mixed beverage gross receipts tax. It cannot be passed onto the customer.
 - d. It may not be added to the selling price.
 - e. Rate of 6.7% of gross receipts
 - f. This tax does not apply if the permittee only has a wine and beer retailer’s permit.
 - g. Additional charges such as bar set-up fees, bartender fees, and mandatory gratuities in excess of 20% are subject to this tax *if* the permit holder has a caterer license.

FAQ:

1. Are we exempt from paying the mixed beverage sales tax?
 - a. Yes. Because the mixed beverage sales tax is administered, collected, and enforced the same way as sales and use tax, the same exemptions apply.
2. Is there a specific mixed beverage sales tax exemption certificate?
 - a. No. You use the standard Texas Sales and Use Tax Exemption Certificate (Form 01-339)
3. Are we exempt from the mixed beverage gross receipts tax?
 - a. No. There are no exemptions to this tax.
4. When would we pay the mixed beverage gross receipts tax?
 - a. If we were the seller of alcohol (the permit is in our name), then we would be required to pay the gross receipts tax. However, this would be highly unlikely.