

# *BULLETIN*



Comptroller of the Treasury ● Alcohol & Tobacco Tax Unit ● Goldstein Treasury Building ● Annapolis, Maryland 21404-2999  
(410)974-3314 e-mail address:mdcomp@arinet

## No. AB-7

December 19, 1995

**TO: All Wine and Distilled Spirits Manufacturers and Wholesalers**

**SUBJECT: Credit for Breakage and Distressed Product**

In the past this office has required that all breakage and distressed product be destroyed and witnessed by representatives of the Comptroller's office before any tax credit was given. As part of our ongoing efforts to improve efficiency and minimize disruptions to licensees, we are instituting a new policy with regard to breakage and distressed product.

Effective January 1, 1996 it will no longer be necessary for representatives of the Comptroller's office to witness the destruction of breakage or distressed product providing the following conditions are met:

- The total tax credit allowance for wine and distilled spirits combined in any given report month does not exceed \$200.00. This credit would be reflected on the appropriate line of the tax return.

- Complete records are maintained of all product destroyed, including a signed affidavit by an authorized representative of the licensee for each destruction.
- Records to support tax credits taken must be available for audit or inspection during regular business hours.

If it is determined that proper records are not being maintained, you may be required to have all future destruction witnessed in order to receive tax credit. Should you have a large quantity of product to be destroyed (i.e. exceeding the \$200.00 tax credit limit) in any given month, you may contact this office to arrange for a representative to witness the destruction. The standard service charge will apply.

Charles W. Ehart, DPA  
Administrator  
Alcohol and Tobacco Tax Unit

For the hearing impaired: Maryland Relay Service 1-800-733-2258 TDD: (410) 974-3157 (Baltimore metro area)  
If you need a reasonable accommodation for a disability, please contact us before you visit. If you need the information in this bulletin in an alternate format, contact: Public Affairs Office (410) 974-3885 (voice) (410) 974-3157 (TDD)

Maryland Alcohol & Tobacco Tax

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Comptroller of the Treasury - Alcohol & Tobacco Tax Unit - Goldstein Treasury Building - Annapolis, Maryland 21404-2999  
410-260-7314 e-mail address:mdcomp@arinet

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