

Welcome home and thank you for your service.

To find the "letter of exemption – military personnel" form, please visit our website

[http://www.AzLiquor.gov/forms/inv\\_letterofexemption.pdf](http://www.AzLiquor.gov/forms/inv_letterofexemption.pdf)

For your convenience, Arizona law is highlighted below.

If you need clarification on how duty is calculated, please contact the US Customs and Border Protection (CPB) website below.

The State of Arizona Department of Liquor Licenses and Control (DLLC) regulates liquor production, storage, transport, sale, service and consumption in Arizona. Personal collections of liquor for private (non-commercial) use are not regulated by this agency or Title 4 (Arizona liquor law) unless unlawful acts are associated with private use. Unlawful actions may include, but are not limited to, underage drinking, dealing in liquor (commercial purposes or profit) without a license, etc.

#### **4-244.02. Unlawful importation of spirituous liquor; exceptions**

A. It is unlawful for any person, not a qualified licensee under this title, to import spirituous liquors into this state from a foreign country unless:

1. Such person is the legal drinking age.
2. Such person has been physically within such foreign country immediately prior to such importation and such importation coincides with his return from such foreign country.
3. **EXCEPT AS PROVIDED IN SUBSECTION B**, the amount of spirituous liquor imported does not exceed the amount permitted by federal law to be imported duty-free, in any period of thirty-one days, except that if the federal law prescribing such duty-free limitation is repealed or amended, then in no event shall the amount of duty-free importation into this state be more than one liter of spirituous liquor during such period.

**B. TO THE EXTENT PERMITTED BY FEDERAL LAW, A MEMBER OF THE ARIZONA NATIONAL GUARD, THE UNITED STATES ARMED FORCES RESERVES OR THE ARMED FORCES OF THE UNITED STATES MAY IMPORT MORE THAN ONE LITER OF SPIRITUOUS LIQUOR FOR PERSONAL USE INTO THIS STATE IF THE IMPORTATION COINCIDES WITH THAT PERSON'S RETURN FROM A TOUR OF DUTY IN A FOREIGN COUNTRY. A PERSON WHO IMPORTS MORE SPIRITUOUS LIQUOR PURSUANT TO THIS SUBSECTION THAN THE AMOUNT PERMITTED BY FEDERAL LAW TO BE IMPORTED DUTY-FREE SHALL BE RESPONSIBLE FOR THE PAYMENT OF ANY FEDERAL TAXES DUE ON THE QUANTITY OF SPIRITUOUS LIQUOR THAT EXCEEDS THE DUTY-FREE AMOUNT. THE DEPARTMENT MAY ISSUE LETTERS OF EXEMPTION TO ALLOW MILITARY PERSONNEL TO IMPORT SPIRITUOUS LIQUOR PURSUANT TO THIS SUBSECTION.**

DLLC is happy to direct you to entities that have answers to your questions about importing/exporting private collections of liquor into Arizona for personal (non-commercial) use.

These links to the Alcohol and Tobacco Trade Bureau will also be helpful:

[http://www.ttb.gov/importers/personal\\_importation.shtml](http://www.ttb.gov/importers/personal_importation.shtml)

<http://www.ttb.gov/itd/impreq.shtml>

For Arizona-specific customs questions, this link may be helpful:

<http://www.cbp.gov/xp/cgov/toolbox/contacts/ports/az/>

To determine duty, visit this page of the US Customs and Border Protection website:

[http://www.cbp.gov/xp/cgov/travel/vacation/kbyg/paying\\_duty.xml](http://www.cbp.gov/xp/cgov/travel/vacation/kbyg/paying_duty.xml)

## Determining Duty

(08/21/2009) The U.S. Customs and Border Protection (CBP) officer will place the items that have the highest rate of duty under your exemption. Then, after subtracting your exemptions and the value of any duty free items, a flat rate of duty will be charged on the next \$1,000 worth of merchandise. Any dollar amount beyond this \$1,000 will be dutiable at whatever duty rates apply. The flat rate of duty may only be used for items for your own use or for gifts. As with your exemption, you may use the flat rate provision only once every 30 days. Special flat rates of duty apply to items made and acquired in Canada or Mexico. The flat rate of duty applies to only to those purchases that accompany you on your return to the United States.

The following is an example of the different rates if you acquire goods valued at \$3,500 from various different places:

Country	Total declared value	Personal exemption (duty-free)	Flat duty rate	Various duty rates
U.S. insular possessions	\$3,500	\$1,600	\$1,000 at 1.5 percent	\$900
Caribbean Basin countries	\$3,500	\$800	\$1,000 at 3 percent	\$1,700
Other countries or locations	\$3,500	\$800	\$1,000 at 3 percent	\$1,700

The **flat duty rate** will be charged on items that are dutiable but that cannot be included in your personal exemption, even if you have not exceeded the exemption. The best example of this is liquor. If you return from Europe with \$200 worth of items, including two liters of liquor, one liter will be duty-free under your exemption. The other will be dutiable at 3 percent, plus any Internal Revenue Service tax.

Family members who live in the same household and return to the United States together can combine their items to take advantage of a combined flat duty rate, no matter which family member owns a given item. The combined value of merchandise subject to a flat duty rate for a family of four traveling together would be \$4,000.

## Alcoholic Beverages

One liter (33.8 fl. oz.) of alcoholic beverages may be included in your exemption if:

- You are 21 years old.
- It is for your own use or as a gift.
- It does not violate the laws of the state in which you arrive.

Federal regulations allow you to bring back more than one liter of alcoholic beverage for personal use, but, as with extra tobacco, you will have to pay duty and Internal Revenue Service tax.

While federal regulations do not specify a limit on the amount of alcohol you may bring back for personal use, unusual quantities are liable to raise suspicions that you are importing the alcohol for other purposes, such as for resale. CBP officers are authorized by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) to make on-the-spot determinations that an importation is for commercial purposes, and may require you to obtain a permit to import the alcohol before releasing it to you. If you intend to bring back a substantial quantity of alcohol for your personal use, you should contact the port through which you will be re-entering the country, and make prior arrangements for entering the alcohol into the United States.

Also, you should be aware that state laws might limit the amount of alcohol you can bring in without a license. If you arrive in a state that has limitations on the amount of alcohol you may bring in without a license, that state law will be enforced by CBP, even though it may be more restrictive than federal regulations. We recommend that you check with the state government before you go abroad about their limitations on quantities allowed for personal importation and additional state taxes that might apply.

In brief, for both alcohol and tobacco, the quantities discussed in this booklet as being eligible for duty-free treatment may be included in your \$800 or \$1,600 exemption, just as any other purchase would be. But unlike other kinds of merchandise, amounts beyond those discussed here as being duty-free are taxed, even if you have not exceeded, or even met, your personal exemption. For example, if your exemption is \$800 and you bring back three liters of wine and nothing else, two of those liters will be dutiable. Federal law prohibits shipping alcoholic beverages by mail within the United States.

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Should a person wish to pay the additional required Federal Customs duties for any remaining volume of spirituous liquor for *personal use*, not covered by the exception (A.R.S. 4-244.02), then Arizona would accept the introduction once all State tax requirements are met.

To obtain the taxation of spirituous liquor information you will need to contact the Arizona Department of Revenue, attn: Luxury Tax Division, 1600 W. Monroe, Phoenix, AZ 85007.  
**Luxury Tax Unit 602-716-7808.**

Arizona Department of Revenue:

<http://www.azdor.gov/ContactUs/TelephoneNumbers.aspx>

Statutes that provide for importing spirituous liquor are:

**A.R.S. §4-244.02. Importation of spirituous liquor unlawful; exceptions**

It is unlawful for any person, not a qualified licensee under this title, to import spirituous liquors into this state from a foreign country unless:

1. Such person is the legal drinking age.
2. Such person has been physically within such foreign country immediately prior to such importation and such importation coincides with his return from such foreign country.
3. The amount of spirituous liquor imported does not exceed the amount permitted by federal law to be imported duty free, in any period of thirty-one days, except that if the federal law prescribing such duty free limitation is repealed or amended, then in no event shall the amount of duty free importation into this state be more than one liter of spirituous liquor during such period.

**A.R.S. §4-250.01. Out-of-state person engaged in business as producer, exporter, importer or rectifier; violation; cease and desist order; civil penalty**

- A. An out-of-state person engaged in business as a producer, exporter, importer or rectifier shall comply with this title as if licensed by this state. An out-of-state person engaged in business as a producer, exporter, importer or rectifier who violates this title is subject to a fine or a civil penalty and suspension or revocation of the right to do business in this state.
- B. If the director has reasonable cause to believe that an out-of-state person engaged in business as a producer, exporter, importer or rectifier is acting in violation of this title, the director may serve a cease and desist order requiring the person to cease and desist the violation.
- C. The director may impose a civil penalty not to exceed one hundred fifty thousand dollars against an out-of-state person engaged in business as a producer, exporter, importer or rectifier who knowingly violates a cease and desist order issued by the director pursuant to subsection B.

**R19-1-204. Interstate Shipping, Importation, Labeling, Solicitation, Advertising**

- A. No person, corporation, partnership or concern shall ship or offer for shipment or transportation to any place within this state from any place without this state any container, package or parcel containing spirituous liquor including beer and wine, unless the same shall be consigned to a licensed Arizona spirituous liquor wholesaler.

- B. Nothing in this rule shall be construed to interfere with through-interstate shipments of spirituous liquors, including beer and wine, originating outside the state and destined to points in other states, when passing through this state in the custody and under the control of a duly authorized common carrier or transportation company.
- C. No person shall ship or introduce into this state any spirituous liquors, including beer and wine, unless such spirituous liquors shall be, from the time they are shipped or introduced into this state until they are delivered to the consignee, in the possession of a duly authorized common carrier or transportation company, except that licensed Arizona wholesalers may transport spirituous liquors for themselves in vehicles owned, leased or rented by such wholesalers when authorized to do so by the Director.
- D. No person, common carrier or transportation company or any other concern shall bring, ship, transport or introduce into this state in any manner whatsoever any spirituous liquors, including beer and wine, unless they are duly consigned to a bona fide Arizona spirituous liquor wholesaler having a license to sell or traffic in at wholesale the particular spirituous liquors so transported and introduced.
- E. No person, common carrier or transportation company shall deliver any interstate shipment consisting of any parcel package or container of any description containing spirituous liquors, including beer and wine, to any premises other than those premises described and set forth in the license of a duly licensed Arizona spirituous liquor wholesaler, licensed to sell or traffic in the particular liquor so delivered.
- F. No manufacturer, distiller, brewer, vintner or wholesaler or any officer, director, agent or employee of any such business directly or indirectly or through an affiliate shall sell, ship or deliver for sale or shipment or receive or remove from customs custody for consumption any spirituous liquors, including beer and wine, in bottles, unless such products are bottled, packaged, and labeled in conformity with the labeling regulations prescribed by the Federal Alcoholic Administration or any other regulations adopted by the Federal Alcoholic Administration or any other regulations adopted by the government of the United States, officer, bureau, or agency thereof. Any amendments or changes in the Federal Alcohol Administration Act or any other regulations adopted by the government of the United States, officer, bureau or agency thereof pertaining to labeling are hereby made a part of this rule without further adoption by the Department.
- G. No person shall send or cause to be sent into this state any letter, postcard, circular, dodger, pamphlet or publication, the purpose of which is the solicitation of an order for any spirituous liquor from and the shipment to any consumer or retail dealer within the state of Arizona.
- H. No person shall issue or publish or cause to be issued or published in this state any letter, postcard, circular, pamphlet or publication containing any advertisement, the purpose or intent of which is the solicitation of an order for any spirituous liquors from any consumer or retailer, where such solicitation is contrary to the laws of this state and the rules of the Director which provide for the shipment of spirituous liquors into this state only when consigned to a duly licensed Arizona spirituous liquor wholesaler who is licensed to sell the particular liquor or liquors so advertised, and only when consigned and delivered to such spirituous liquor wholesaler at the address described and set forth in his license.
- I. Nothing contained in subsections (G) or (H) shall be construed to prevent newspapers or other publications having circulation in Arizona from accepting institutional advertising from any distillery, brewery, winery, rectifier, or distributor.

