

## Chapter 35 Outline

Franchise Taxes on Corporations  
Unincorporated Business Income Taxes  
Sales and Use Taxes  
Hotel Room Occupancy Taxes  
Federal Liquor Taxes  
    Enforcement of Federal Law  
    Special Tax on Retail Liquor Dealers  
    Mixing of Cocktails  
    Used Liquor Bottles  
    Records to Be Kept  
    In Conclusion  
State Liquor Taxes  
Important Points for Management

## Competencies

1. Define a “franchise tax.” (pp. 485–486)
2. Explain the unincorporated business income tax. (p. 486)
3. Distinguish between a sales and a use tax, and name the basic types of records most businesses must maintain to substantiate the amount of taxable sales. (pp. 486–487)
4. Explain what is meant by a “bed tax.” (pp. 487–488)
5. Summarize the purpose and jurisdiction of the Alcohol and Tobacco Tax and Trade Bureau, and discuss federal regulations in regard to liquor taxes, mixing of cocktails, used liquor bottles, and keeping invoices. (pp. 488–490)
6. Describe state liquor taxes and list the criteria considered by some states in determining the amount of state liquor taxes to be charged. (pp. 490–491)