

Schedule D

Wholesaler's Monthly Beer Report

Electronic Filing Instructions

Per North Dakota Century Code (N.D.C.C.) § 5-03-04, licensed North Dakota beer wholesalers must file a monthly tax report with the Office of State Tax Commissioner and make payment based on the total gallonage purchased the previous month. Beer purchases include all malt beverage purchased, received, or delivered to a North Dakota wholesaler from suppliers, manufacturer, importers, marketers, microbrew pubs, other wholesalers, or any other entity; and, should include any alcoholic beverage on which the North Dakota excise tax has not been paid.

The Office of State Tax Commissioner has designated "Schedule D" as the wholesaler's monthly tax report form to be used for reporting and paying taxes on beer. The Schedule D is due on or before the 15th of the month following the month purchases were made, and is to be filed electronically using the following instructions and on the form prescribed by the Commissioner. The Schedule D report is required even if no purchases were made.

N.D.C.C. § 5-03-06 also pertains to taxes imposed by this chapter. For wholesalers failing to pay such tax on or before the due date, there must be added to the tax a penalty of five percent of the total amount of the tax or five dollars, whichever is greater, plus interest of one percent of the tax per month or fraction of a month of delay, except the month after the return or tax becomes due. For failure to file reports on or before the due date, wholesalers may be assessed a penalty of one hundred dollars for each day such reports are delinquent.

For purposes of this report, the following definitions apply:

"Beer" means any malt beverage containing one-half of one percent or more of alcohol by volume.

"In bulk" means in containers having a capacity not less than one-sixth barrel for use for the sale of malt beverage at retail.

"Bottle or can" means any container, regardless of the material for which made, having a capacity less than a bulk container for use for the sale of malt beverages at retail.

"Gallon" means US wine gallon equal to 128 ounces.

"Supplier" means an alcoholic beverage manufacturer, importer, marketer, or wholesaler selling alcoholic beverages to a wholesaler licensed in this state for purposes of resale.

"Microbrew Pub" means a brewer that brews ten thousand or fewer barrels of beer per year and sells beer produced or manufactured on the premises for consumption on or off the premises, or serves beer produced or manufactured on the premises for purposes of sampling the beer. Microbrew Pubs may sell to wholesale malt beverage licensees.

Schedule D Filing Instructions

► Use the Schedule D report form designated for electronic filing.

► Each month begin with a new (blank) Schedule D report form.

► **Only report invoices or transactions for the current reporting month on the original return; if you have invoices or transactions from a previous period that were not reported, or were reported in error, see amended return reporting instructions for correct reporting procedures – do not include these prior period entries on your current report.**

► **Calculation formulas have been provided in highlighted fields.**

➡ **Begin with Schedule D Coversheet**

Report Period: Enter the calendar year and month covered on the report in the YYYYMM format (i.e., 201003).

Original or Amended return: Enter “O” for original return or an “A” for amended return.

Wholesaler Name: Enter the name you have on your N.D. Wholesaler’s Liquor License.

FEIN: Enter your wholesaler assigned 9 character Federal ID number with *no hyphens*.

ND Wholesaler License #: Enter your 5 character N.D. Wholesaler Beer License number.

Address, City, State, and Zip Code: Enter the Wholesaler’s mailing address using US Postal Code format.

Phone Number: Enter the contract person’s phone number.

Email Address: Enter the contact person's email address.

Stop here, you will return later to finish the coversheet.

➡ **Next, complete the Wholesaler Beer Receipts Worksheet**

For each invoice or transaction, enter the following information:

- a. The code best describing the transaction, i.e. number 1, 2, or 3 as shown on the worksheet.
- b. The invoice date in the MM/DD/YYYY format, i.e. 02/15/2010. If no invoice date is applicable to receipt, enter the day of the receipt or transfer, or enter the last day of the month covered by report.
- c. The invoice number, if applicable, or **enter “99” if no invoice number is involved in this entry.**
- d. The license number of the entity supplying product. (**Do not enter Direct Shipper Account Numbers**) Suppliers and microbrew pubs have been assigned a 5 digit account number beginning with zero, i.e., 01002 for suppliers and 08000 for microbrew pubs. A list of these numbers can be found on our web site at www.nd.gov/tax under “Alcohol/Forms”. If no number is available, please contact our office for instructions. No further purchases are to be made from that entity until they obtain a license. For one reporting month only, you may enter this purchase under number “6666” for that unlicensed entity so that the purchase can be reported. **If no number is applicable to transaction, enter “9999”.**
- e. Name of supplier, retailer, microbrew pub, etc., or enter an explanation of the transaction if no entity is involved.
- f. For each container category of can/bottle or bulk beer, convert total invoiced ounces or liters of beer received to gallons rounded to 2 decimal places (see Note below regarding conversion worksheet).
- g. The total gallon of beer entered as receipts for the reporting period for both the can/bottle beer and bulk beer is calculated in Block A and Block B. The total can/bottle beer in Block A is carried to line 1 on the coversheet and the total bulk beer in Block B is carried to line 5 on the coversheet.

Note: There is a beer conversion worksheet on our web site under “Alcohol/Electronic Filing” which can be used to calculate the conversion of beer volumes from can/bottle or bulk beer containers to gallons.

▶ Enter the volumes in the correct can or keg category.

▶ Always enter all volumes rounded to 2 decimal places.

▶ Do not include beer purchased from another North Dakota wholesaler when the North Dakota excise tax has already been paid by the other North Dakota wholesaler.

➡ Next, complete the Wholesaler Beer Deductions/Exemptions Worksheet

For each deduction or exemption:

- a. Enter the applicable deduction or exemption code (4, 5, 6, 7, 8 or 9) as described on the worksheet.
- b. Enter the occurrence date in the MM/DD/YYYY format, i.e. 02/20/2010.
- c. For Code 6 deductions or exemptions, enter the license number of the entity supplying product.
- d. For Code 4 deductions or exemptions, enter the 2 character state abbreviation for the state where product was transferred (i.e., MN for Minnesota).
- e. Enter an explanation of each deduction or exemption listed.
- f. For each container category of can/bottle or bulk beer, convert total invoiced ounces or liters of beer purchased to gallons rounded to 2 decimal places (See Note above regarding conversion worksheet).
- g. The total gallons of beer entered as deductions for the report period for both the can/bottle beer and bulk beer is calculated in Block C and Block D. The total can/bottle gallonage in Block C is carried to line 2 on the coversheet and the total bulk gallonage in Block D is carried to line 6 on the coversheet.

▶ Do not take deductions or exemptions on beer transferred out of state unless you report and pay the alcohol excise tax for this beverage to the state you are transferring it to. You are required to send a copy of the report you filed with that state to our office on or before the due date of the return on which the deduction was taken.

➡ Next, return to Schedule D Coversheet page and complete report:

Lines 1 through 9 on the coversheet will automatically be filled in:

- Line 1:** Total gallons purchased in can/bottle containers carried from Block A on receipts worksheet.
Line 2: Total gallons deducted or exempt from can/bottle containers carried from Block C on deductions/exemptions worksheet.
Line 3: Calculates total taxable gallons, Line 1 minus Line 2.
Line 4: Calculates tax due, \$.16 per gallon times the total gallons from Line 3.
Line 5: Total gallons purchased in bulk containers carried from Block B of receipts worksheet.
Line 6: Total gallons deducted or exempt from bulk containers carried from Block D on deductions/exemptions worksheet.
Line 7: Calculates total taxable gallons, Line 5 minus Line 6.
Line 8: Calculates tax due, \$.08 per gallon times the total gallons from line 7.
Line 9: Calculates total tax due, Line 4 plus Line 8.

➡ **Begin Here:**

Line 10: If filing an amended return, enter any previously paid tax from previously filed returns for this period.

- Line 11:** Calculates total tax due with this report, Line 9 minus Line 10.
- Line 12:** **Enter** Penalty on late returns if applicable (5% of total tax due on line 9 or \$5.00, whichever is greater).
- Line 13:** **Enter** interest on late returns if applicable (1% of tax due per month except for month after the return or tax becomes due).
- Line 14:** Calculates total tax, penalty, and interest due, sum of Lines 11, 12, and 13.
- Line 15:** **Enter** the total amount remitted with this return. This will be the amount you want drawn from your account using ACH Debit or the amount of your check and payment voucher.

Electronically File Report

Save a copy of this month's Schedule D report for your records.

Prepare an email to alcoholtax@nd.gov, enter your 5 digit wholesale license number in the subject line, and attach the completed Schedule D report. Be sure you are sending the report in the excel format prescribed by the Commissioner.

Watch for an email reply either (1) confirming receipt of the report which was able to be processed, OR (2) a reply informing you that your report was not correct and would not process. If you get an email stating that your report would not process, you must correct the reporting errors and resend the report until you get confirmation that it was acceptable and would process. Reports which are received but which cannot be processed are not considered filed and may cause failure to file penalties to occur if the report is not corrected on or before the due date.

Payment Instructions

• ACH Debit Payment Method:

An Automated Clearing House (ACH) Debit is a banking term for the electronic transfer of funds in which the state contacts its bank to initiate the transfer of funds from your bank account to the state's account. The state pays the transaction costs for ACH Debit. If you choose this payment option, you will be able to file your report at any time on or before the due date and the payment amount indicated on your report will be requested from your bank on the due date. Original reports filed after the due date will have the ACH Debit transaction occur the next business day. ACH Debit will not be a payment option available for amended reports; a check with a payment voucher will be required for the additional amount due.

To register for ACH Debit, go to <http://www.nd.gov/tax/alcohol/elecfileing/> and click on ACH Debit.

Note: Registration for ACH Debit must be complete on or before the day you submit your electronic return – see detailed instructions and limitations under ACH Debit.

• Check Payment Method:

A check for payment of an electronic report will require a voucher to insure that the payment can be properly matched to the appropriate report. You will be required to complete a "Beer Check Payment Voucher", tax type 94, for the Schedule D report you are paying and submit it with your check.

The check and voucher must be postmarked by the due date of the return to be considered timely filed.

A copy of the check voucher for this report is also attached as an additional sheet on the Schedule D report form.

Wholesalers of both beer and liquor can issue one check for the tax due for both tax types or for two accounts under one tax type; however, a payment voucher must be included for each report and for each tax type with the check, i.e., 1 check and 2 or more vouchers (beer vouchers are for tax type 94 and liquor vouchers are for tax type 95).

Make sure your check and voucher(s) are for the same total amount and that the each voucher matches the amount of the payment you entered on the report coversheet(s).

Amending Schedule D Reports

Amended reports will be necessary when a wholesaler fails to report correctly during any month. To correct an original report, a “**total replacement**” amended report will have to be electronically submitted.

The wholesaler will enter an “A” for amended report instead of an “O” for original report on the Schedule D coversheet. After completing the report as it should have been reported, enter the amount of tax “previously paid” in Line 10 so that Line 11 reflects the tax due or overpaid as a result of the new information. Previously paid tax entered on Line 10 would be the tax paid with the original return for that period.

If the amount in Line 11 shows tax due, calculate and enter the penalty due on late returns (5% of total tax due on line 11 or \$5.00, whichever is greater) on Line 12 and enter interest on late returns if applicable (1% of tax due per month except for month after the return or tax becomes due) on Line 13. Line 14 automatically calculates the total tax, penalty and interest due. **Enter** the amount of your payment on Line 15 - **payment would need to be made using a check and a voucher, ACH Debit is not available for amended reports.** If an overpayment results from the amended report, zero should be entered on Line 15 and a refund will be issued.

●Schedule D Important Reminders●

▶ You are required to file a tax report with another state for which a deduction was taken on “Schedule D – the deductions/exemptions worksheet”, code number 4, and you are required to send a copy of that out-of-state report to the Alcohol Tax Section, Office of State Tax Commissioner, 600 E Boulevard Ave., Bismarck, ND 58505-0599, on or before the due date of the return on which you are taking the deduction. Deductions taken without proper documentation may not be allowed.

▶ You are required to provide documented proof of Beer Breakage or other deductions taken on “Schedule D – the deductions/exemptions worksheet”, code 5, 6, 7, 8, 9; and you are required to submit documentation to the Alcohol Tax Section, Office of State Tax Commissioner, 600 E Boulevard Ave., Bismarck, ND 58505-0599, on or before the due date of the return on which you are taking the deduction. Deductions taken without proper documentation may not be allowed.

▶ North Dakota Beer Wholesalers are to include all beer purchased, transferred or shipped to the state of North Dakota and all sales or returns on the Schedule D report with the following exceptions:

1. You need not report beer purchased from another North Dakota wholesaler if the alcohol tax on that purchase has already been paid to North Dakota.

2. You need not report beer sold to another North Dakota wholesaler if you have previously reported and paid alcohol tax to North Dakota.
3. You should not take tax credits for beer sold to another North Dakota wholesaler.

▶ All purchases and sales invoices being reported should **pertain to the reporting period**. **Amended Schedule D reports** should be filed when an invoice is missed or originally reported in error. See amended report instructions for further instructions on submitting amended reports.

▶ When filling out the Schedule D report don't leave blank rows between entries. All required fields must be completed for each entry, i.e., invoice date, invoice number, license number, name, and total gallons on worksheets. Don't submit a Schedule D that is linked to another file on your computer. Files cannot be processed if they contain blank rows, links, or empty fields in a row.

▶ All beer is to be reported in gallons rounded to two decimal places.

▶ Electronic copies of sales or purchase invoices are not to be included with the Schedule D electronic report and paper copies are not to be mailed to the Office of State Tax Commissioner; however, all source documents must be made available upon request.

▶ **Supplier account numbers do change so please keep checking the list on our web site which is updated monthly.**

▶ Wholesalers purchasing and selling liquor should report on Schedule B which is available on our web site.

Contacts:

Taxpayer Assistance: (701) 328-2702
FAX Number: (701) 328-0336
E-mail: alcoholtax@nd.gov
Web Site Address: www.nd.gov/tax

Mailing Address:

Sales & Special Taxes Compliance Section
Office of State Tax Commissioner
600 E Boulevard Ave. Dept. 127
Bismarck, ND 58505-0599