

Schedule G Direct Shipper's Annual Beer Tax Report Electronic Filing Instructions

Direct shipping alcoholic beverages direct to consumers in North Dakota is illegal unless you are a licensed retailer or manufacturer in your state of domain and obtain a North Dakota direct shipper permit and a North Dakota sales and use tax permit. There are no exceptions.

●Direct Shipper Permit and Reporting Requirements●

North Dakota Century Code (N.D.C.C.) § 5-01-16 provides that a retailer or manufacturer may ship alcoholic beverages directly to consumers in North Dakota once they obtain a Direct Shipper permit. The permit is valid for one calendar year and costs \$50.00 per year. Renewal notices are mailed out each year in November for the coming calendar year.

Direct shippers must file an annual tax report with the Office of State Tax Commissioner and make payment based on the total gallonage shipped to North Dakota consumers. The Commissioner has designated "Schedule G" as the direct shipper's annual **beer** tax report form to be used for reporting and paying tax on beer. *Note that direct shippers should use Schedule H when reporting and paying tax on liquor (including wine).* The Direct Shipper's beer tax report, Schedule G, is an annual report and is due on or before **January 15** of the year following the year of sale. Schedule G is to be filed electronically using the following instructions and on the form prescribed by the Commissioner. If no sales were made, no report is necessary. Amended reports must also be submitted electronically.

N.D.C.C. § 5-03-06 also applies for any taxes imposed by this chapter, failure to pay such tax on the date payment is due, 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 the return or tax becomes due; and failure to furnish reports when required must be assessed a penalty of one hundred dollars for each day such reports are delinquent.

●Sales and Use Tax Permit and Reporting Requirements●

Direct Shippers must also have a Sales and Use Tax permit and remit state and local tax using the forms prescribed by the Commissioner. This return is required even if no sales were made. Taxpayers are mailed paper forms based on the permit's filing schedule; however sales tax returns can also be electronically filed by using the method prescribed under Sales and Use at <http://www.nd.gov/tax/salesanduse/elecfileing/>

Amended returns cannot be filed electronically; taxpayers will need to file an amended paper return which can be requested from our office by calling 701-328-1246.

For Schedule G, 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 beverages 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.

Schedule G Filing Instructions

Use the actual Schedule G report form designated for electronic filing.

Please Note: Calculation formulas have been provided in the highlighted fields.

➡ Begin with Schedule G Coversheet.

Report Period: Enter the calendar year covered on the report in the YYYY format (i.e., 2010).

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

Direct Shipper Name: Enter the name you have on your N.D. Direct Shipper Permit.

Direct Shipper FEIN: Enter the company assigned 9 character Federal ID Number with no hyphens.

ND Direct Shipper Permit #: Enter your 5 character N.D. Direct Shipper Permit number.

Address, City, State, and Zip Code: Enter the Direct Shipper's mailing address using US Postal Code formatting.

Phone Number: Enter the phone number of the contact person.

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

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

➡ Next, complete the Direct Shipper’s Annual Beer Tax Report – Shipments Worksheet.

Note that the first four information fields, as listed below, will fill in automatically pulling information from the Schedule G coversheet.

Report Period: The calendar year covered on the report in the YYYY format (i.e., 2010).

Direct Shipper Name: The name you have on your N.D. Direct Shipper Permit.

Direct Shipper FEIN: The company assigned 9 character Federal ID Number with no hyphens.

ND Direct Shipper Permit #: Your 5 character N.D. Direct Shipper Permit number.

Start on Line 19, for each shipment, enter the following information:

- a. The invoice date using the correct format, i.e. mm/dd/yyyy.
- b. The invoice number.
- c. N.D. Customer’s Name.
- d. N.D. Customer’s Address – enter street or shipping address, then enter city name.
- e. Convert total invoiced ounces of beer sold in bottles and cans or bulk (keg) beer to gallons rounded to 2 decimal places. There is a beer package conversion chart on our web site www.nd.gov/tax, under Alcohol, Electronic Filing, Liquor & Beer Package Conversion to Gallons Chart.

▶ Block A and Block B on this worksheet contain formulas that will compute the grand total volume for the report period for each category. These amounts will carry to the coversheet for use in computing tax due.

▶ **For return/credit invoices, provide the same information as for sales invoices and enter volumes as credit (negative) amounts.**

DO NOT LEAVE ANY FIELD BLANK WHEN COMPLETING THE INVOICE DATE, INVOICE NUMBER, AND CUSTOMER NAME AND ADDRESS INFORMATION FIELDS.

➡ **Next, return to the Schedule G Coversheet and complete the report**

▶ **The Schedule G report contains highlighted cells with formulas that automatically fill in based on information entered on the corresponding worksheets.**

Line 1: Shows the total sales gallons from bottle and can containers carried from Block A of the shipments worksheet.

Line 2: Calculates tax at given rates for can and bottle gallons, Line 1 times \$.16.

Line 3: Shows the total sales gallons from bulk (keg) containers carried from Block B of the shipments worksheet.

Line 4: Calculates tax at given rates for bulk beer gallons, Line 3 times \$.08.

Line 5: Calculates total Alcohol Tax Due, total of Lines 2 and 4.

Line 6: **If filing an amended return,** enter any previously paid tax from previously filed returns for this period.

Line 7: Calculates total tax due with this report, Line 5 minus Line 6.

Line 8: **Enter** Penalty on late returns if applicable (5% of tax due or \$5.00, whichever is greater).

Line 9: **Enter** interest on late returns if applicable (1% of tax due per month except for month return is due).

Line 10: Calculates total tax, penalty, and interest due, sum of Lines 7, 8, and 9).

Line 11: **Enter 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.

▶ **Be sure to enter the volumes in the correct category.**

▶ **Always enter all volumes rounded to 2 decimal places.**

Electronically File Report

▶ Save a copy of this year's report in the Excel format for your records.

▶ Prepare an email to alcoholtax@nd.gov, enter your 5 digit direct shipper license number in the subject line, and attach the completed Schedule G report. Be sure you are sending the report in the Excel format prescribed by the Commissioner. Send only one Schedule G report per email. Electronic reports must be submitted by the due date to be considered timely filed.

▶ **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 that are received but that cannot be processed are not considered filed and may cause 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/electfiling/> 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 G 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 G report form.

Direct Shippers 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 G Reports

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

The taxpayer will enter an “A” for amended report instead of an “O” for original report on the Schedule G coversheet. After completing the report as it should have been reported, enter the amount of tax

“previously paid” in Line 6 so that Line 7 reflects the tax due or overpaid as a result of the new information. Previously paid tax entered on Line 6 would be the tax paid with the original return for that period.

If the amount in Line 7 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 8 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 9. Line 10 automatically calculates the total tax, penalty and interest due. **Enter** the amount of your payment on Line 11 - **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 11 and a refund will be issued.

Contacts:

Taxpayer Assistance: (701) 328-2702
(701)258-3158
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