

Schedule F

Domestic Winery Annual Liquor Tax Report

Electronic Filing Instructions

North Dakota Century Code (N.D.C.C.) § 5-01-17 provides that a domestic winery shall obtain a license and report and pay alcohol taxes on all wine sold at retail by the licensee as set forth in N.D.C.C. § 5-03-07. The tax reports must be submitted on forms and in the format prescribed by the Office of State Tax Commissioner. The Commissioner has designated “Schedule F” as the domestic winery liquor tax report form to be used for reporting and paying tax on wine. Schedule F is an annual report that is due on or before January 15 of the year following the year production or sales occurred and is required to be filed electronically.

N.D.C.C. § 5-01-20 states that wineries producing no more than 50,000 gallons of wine per year may sell and deliver wine produced by the winery direct to licensed retailers. Deliveries to retail locations using the winery’s own vehicles are limited to 4,500 cases per calendar year (10,710 gallons) with each case no larger than 2.38 gallons. Deliveries to retail locations using an alcohol carrier (common carrier) are also limited to 4,500 cases per calendar year (10,710 gallons) with each case no larger than 2.38 gallons.

N.D.C.C. § 5-03-06 provides that for 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 failing to furnish reports when required must be assessed a penalty of one hundred dollars for each day such reports are delinquent.

For purposes of this report, the following definitions apply:

“**Sparkling Wine or Champagne**” means wine made effervescent with carbon dioxide.

“**Wine**” means the alcoholic beverage obtained by fermentation of agricultural products containing natural or added sugar or such beverage fortified with brandy and containing not more than twenty-four percent alcohol by volume.

“**Gallon**” means US wine gallon equal to 128 ounces.

Schedule F Electronic Filing Instructions



Start by completing the heading information on coversheet.

Report Period: Enter the reporting calendar year in the YYYY format (i.e., 2013).

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

Domestic Winery Name: Enter the name you have on your N.D. Domestic Winery License.

Domestic Winery FEIN: Enter the company assigned 9 character Federal ID Number.

ND Domestic Winery License #: Enter your 5 character N.D. Domestic Winery License number.

Address, City, State, and Zip Code: Enter the Domestic Winery mailing address using US Postal Code formatting.

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

Email Address: Enter the contact person’s e-mail address.

▶ **Enter all wine gallons in the correct category rounded to two decimal places:**

► Calculation formulas have been provided in highlighted fields of the Excel spreadsheet and are protected.



Stop here on the coversheet, now complete Worksheet 1 and Worksheet 2

Worksheet 1 Instructions:

Worksheet 1 is used to report all sales delivered direct to retailers using the wineries own vehicles.

The report header information automatically fills in from the information entered on the top portion of the coversheet. Go the line 19 and enter the individual invoice information for each direct sale to a North Dakota retailer that was made during the calendar year covered by the report for deliveries made using the wineries own vehicles.

► Do not leave any blank fields in any of Worksheet 1's lines 1 through 6 as this will cause the report to stop at that point and additional information on the worksheets will not load.

1. Enter the complete North Dakota state retail license number issued by the Office of Attorney General for the retail location covered by this invoice.
2. Enter the invoice date in the mm/dd/yyyy format, i.e., 01/25/2013
3. Enter the invoice number pertaining to the sale
4. Enter the licensed retailer's name
5. Enter the licensed retailer's address, this is the address covered by the license number entered for this line and is also the address where delivery was made. Delivery to any other address for this retailer is not allowed.
6. Enter the licensed retailer's city
7. Enter the invoice wine gallons in the appropriate category, rounded to two decimal places.

► Each invoice entered will have gallons reported in either the Wine Under 17% or Wine between 17% and 24% category or in both categories.

After all invoice information has been entered for all direct sales to retailers, the total gallons automatically totaled in Block A and Block B of this worksheet will immediately carry to Line 13 on the coversheet.

Worksheet 2 Instructions:

Worksheet 2 is used to report all sales delivered direct to retailers using a licensed alcohol carrier (common carrier).

The report header information automatically fills in from the information entered on the top portion of the coversheet. Go the line 19 and enter the individual invoice information for each direct sale to a North Dakota retailer that was made during the calendar year covered by the report using a licensed alcohol carrier for the delivery.

► **Do not leave any blank fields in any of Worksheet 2's lines 1 through 6 as this will cause the report to stop at that point and additional information on the worksheets will not load.**

8. Enter the complete North Dakota state retail license number issued by the Office of Attorney General for the retail location covered by this invoice.
9. Enter the invoice date in the mm/dd/yyyy format, i.e., 01/25/2013
10. Enter the invoice number pertaining to the sale
11. Enter the licensed retailer's name
12. Enter the licensed retailer's address, this is the address covered by the license number entered for this line and is also the address where delivery was made. Delivery to any other address for this retailer is not allowed.
13. Enter the licensed retailer's city
14. Enter the invoice wine gallons in the appropriate category, rounded to two decimal places.

► **Each invoice entered will have gallons reported in either the Wine Under 17% or Wine between 17% and 24% category or in both categories.**

After all invoice information has been entered for all direct sales to retailers, the total gallons automatically totaled in Block C and Block D of this worksheet will immediately carry to Line 14 on the coversheet.



Now return to the coversheet.

- Line 1: **Enter** the beginning wine inventory gallons for the reporting period. This would be the ending inventory reported on your last return.
- Line 2: **Enter** the total wine gallons produced during this reporting period. Determination of wine produced: Upon completion of fermentation or removal from the fermenter, the volume of wine will be accurately determined, recorded, and reported as produced.
- Line 3: Automatically calculates the total wine gallons available (Line 1 plus Line 2).
- Line 4: **Enter** the total gallons of waste or other non-usable removal.
- Line 5: **Enter** the total gallons of wine used for tasting or for personal use.
- Line 6: **Enter** the total gallons of wine returned to bulk.
- Line 7: **Enter** the total gallonage of wine sold to in-state wholesalers which would have been reported on your Schedule A supplier's monthly reports for the periods covered by this report. This wine is taxed through the wholesaler.
- Line 8: **Enter** the total gallons of wine direct shipped to out-of-state consumers or sold to out-of-state wholesalers and not taxable in North Dakota. You may be liable for tax in that state.
- Line 9: Automatically calculates the total non-taxable gallons of wine deductions taken, (sum of Lines 4, 5, 6, 7, and 8).

- Line 10: **Enter** the total gallons of wine direct shipped to North Dakota Recipients.
- Line 11: **Enter** the total gallons of wine sold to consumers from the winery location.
- Line 12: **Enter** the total gallons of wine sold at special events held in North Dakota
- Line 13: Automatically carries the total wine gallons sold direct to North Dakota retailers using winery owned vehicles for delivery, Worksheet 1, Block A and Block B.
- Line 14: Automatically carries the total wine gallons sold direct to North Dakota retailers using Licensed Alcohol Carrier for delivery, Worksheet 2, Block C and Block D.
- Line 15: Automatically calculates the gallons of total taxable sales, (sum of Line 10, 11, 12, 13, and 14).
- Line 16: Automatically calculates the gallons of ending wine inventory, (Line 3 minus Line 9, and 15).
- Line 17: Automatically calculates tax due by multiplying the gallons in each category on Line 15 times the tax rate for as shown on the report.
- Line 18: Automatically calculates total tax due by adding the tax calculated for each category on Line 17.
- Line 19: **If filing an amended return, enter** previously paid tax from previously filed return for this reporting period.
- Line 20: Automatically calculates total tax due with this report, Line 18 minus Line 19.
- Line 21: **Enter** penalty on late or amended returns if applicable (5% of tax due or \$5.00, whichever is greater plus \$100/day for each day the original report is overdue).
- Line 22: **Enter** interest on late or amended returns if applicable (1% of tax due per month except for month after the return or tax becomes due).
- Line 23: Automatically calculates the total tax, penalty, and interest due by adding Lines 20, 21, and 22.
- Line 24: **Enter the total amount remitted with this report.** This will be the amount you want withdrawn from your account using ACH Debit or the amount of your check. **ACH Debit will only pull this amount from your account for this return.** If you file this report without filling in this amount, no ACH Debit transaction will occur. If you are paying by check, this would be the amount on your check and on the Liquor Voucher which can be found on our web site under Alcohol/Electronic Filing/Pay by Check. See payment instructions below.

Filing Electronic Report:

The Schedule F report is to be filed electronically, do not mail this report. Paper returns are not processed and are not considered filed.

Save a copy of the report in the Excel format for your records.

Attach the completed Schedule F report in the Excel format to an e-mail, enter your 5 character domestic winery license number in the subject line, and submit the e-mail to alcoholtax@nd.gov. Send only one Schedule F report per e-mail. 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 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

► **Make sure you have entered the amount in line 24 that you wish to pay.**

This amount will be the amount pulled from your account if you have set up the ACH Debit payment, if no amount is entered, no ACH payment will be initiated. ACH Debit is not available for amended reports.

The Amount entered on line 24 should also be the amount you enter on your check and on the liquor tax payment voucher which is to be submitted with your check.

● 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.

► **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 the electronically filed report will be required to be mailed with a completed "Liquor Tax Payment Voucher" to insure that the payment can be matched to the appropriate report. The Liquor Tax Payment Voucher can be found under Alcohol/Electronic Filing/Pay by Check.

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

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

Amending Schedule F Reports

Amended reports will be necessary when a domestic winery 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 F coversheet. After completing the report as it should have been reported, enter the amount of tax “previously paid” in Line 18 so that Line 19 reflects the tax due or overpaid as a result of the new information. Previously paid tax entered on Line 18 would be the tax paid with the original return for that period.

If the amount in Line 19 shows tax due, calculate and enter the penalty due on late returns (5% of total tax due on line 17 or \$5.00, whichever is greater) on Line 20 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 21. Line 22 automatically calculates the total tax, penalty, and interest due. **Enter** the amount of your payment on Line 23 - **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 23 and a refund will be issued.

Contacts Information

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

Taxpayer Assistance: 701.328.2702
 701.328.3158

FAX Number: 701.328.0336

E-mail: alcoholtax@nd.gov
Web Site Address: www.nd.gov/tax