

Schedule T

North Dakota Brewer Taproom Annual Report

Electronic Filing Instructions

North Dakota Century Code (N.D.C.C.) § 5-01-21 provides that a brewery producing no more than twenty-five thousand barrels (775,000 gallons) of malt beverages annually may apply for a brewer taproom license at a cost of \$500.00 per year. A brewer taproom located in North Dakota is allowed to sell malt beverages manufactured on the licensed premises at special events, direct to consumers from the taproom, and to North Dakota licensed wholesalers and retailers within set limits.

Licensed Taprooms located outside North Dakota will be able to apply for a permit to attend special events in North Dakota and also sell direct to retailers licensed in North Dakota provided their state law permits such activity.

For purposes of this report, the following definition applies:

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

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

“In Bulk” means in containers having a capacity not less than one-sixth barrel for use for the sale of malt beverages at retail.

“Gallon” means a United States gallon of liquid measure equivalent to the volume of 231 cubic inches and equal to 128 ounces.

Schedule T:

Brewery taprooms must file an annual report with the Office of State Tax Commissioner showing beginning inventory, production, sales information, and ending inventory. The Commissioner has designated “Schedule T” as the brewery taproom annual report. The Schedule T is due on or before **January 15** of the year following the calendar year covered on the report. **Schedule T is to be filed electronically** using the following instructions and using the form and format prescribed by the Commissioner. Zero reports are required even if no beverages were manufactured or sold. Amended Schedule T 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. For failure to file electronic reports on or before the due date and not in conformity with the requirements specified herein shall be deemed a failure to file of such reports and the brewery shall be subject to all applicable penalties prescribed by law including a penalty of one hundred dollars for each day such reports are delinquent.

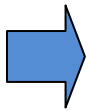
Schedule C:

A North Dakota licensed taproom would also be considered a supplier and is required to file a monthly Schedule C report for sales to North Dakota licensed wholesalers. If the licensed taproom already has a supplier license, number series 01000, that license should be canceled . The five digit taproom license number series 20000 should be given to the wholesaler and used to report sales on the Schedule C report.

Per North Dakota Century Code § 5-03-09, a supplier who sells or ships beer to North Dakota wholesalers must file a report with the Office of State Tax Commissioner on or before the last day of the month following the month during which a sale (or return) was made.

The Office of State Tax Commissioner has designated “Schedule C” as the supplier’s monthly beer report form to be used for reporting sales or shipments of beer to North Dakota wholesalers. See Schedule C and Schedule C Electronic Filing Instructions for more information. **The total of any volumes entered on the monthly Schedule C reports during the calendar year must be carried to the Schedule T report, line 6 and are not taxable on the Schedule T report. Tax on these transactions is paid by the North Dakota wholesaler.**

Schedule T Electronic Filing Instructions:



Start by completing the heading information on the Schedule T 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.

Brewer Taproom’s Name: Enter the name you have on your N.D. Beer Taproom License.

Brewer Taproom’s FEIN: Enter the company assigned 9 character Federal ID Number with no hyphens.

Brewer Taproom’s License #: Enter your 5 character N.D. Brewer Taproom’s License which will be a five digit number in the 20000 series.

Address, City, State, and Zip Code: Enter the brewer taproom’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 on the Schedule T coversheet; now complete the Schedule T worksheet which is the next tab at the bottom of this workbook.

▶ **Calculation formulas have been provided in highlighted fields of the Excel spreadsheet and these fields have been locked for protection.**

Schedule T Worksheet Instructions:

The report header information automatically fills in from the information entered on the top portion of the coversheet. Go the line 18 on this worksheet 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.

▶ **Do not leave any blank fields in any of the worksheet columns 1 through 6 for any invoice as this will cause the report to stop at that point and additional information on the worksheets will not load.**

Column 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.

Column 2: Enter the invoice date in the mm/dd/yyyy format, i.e., 01/25/2014

Column 3: Enter the invoice number pertaining to the sale

Column 4: Enter the licensed retailer's name

Column 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.

Column 6: Enter the licensed retailer's city

Column 7: Enter the invoice gallons for bottle and can beer rounded to two decimal places.

Column 8: Enter the invoice gallons for bulk beer rounded to two decimal places.

Enter any credit memo information the same way invoices are entered except enter the gallons as a credit amount (i.e., -333.33).

▶ **Each invoice entered will have gallons reported in the bottle and can category, bulk category, or in both categories.**

▶ **Enter all beer in wine gallons rounded to two decimal places:**

After all invoice information has been entered for all direct sales to retailers, the individual entry gallons are automatically totaled in Block A and Block B of this worksheet will immediately carry to the coversheet, line 16 and 12 respectively.



Now return to the Schedule T coversheet.

Complete the coversheet by entering the following information:

- Line 1: **Enter** the beginning beer inventory gallons for the reporting period. This would be ending inventory reported on your last year's report, line 18, or zero for the first year's report.
- Line 2: **Enter** the gallons of beer produced during the year which is ready for sale or use.
- Line 3: Automatically calculates total beer gallons available, (Line 1 plus Line 2).
- Line 4: **Enter** the total gallons of beer removed from inventory that cannot be sold or used for some reason.
- Line 5: **Enter** the total gallons of beer removed from inventory for tasting or personal use.
- Line 6: **Enter** the total gallons of beer sold to wholesalers for the calendar year as previously submitted on the Schedule C Supplier's Monthly Beer Report of Sales to ND Wholesalers. The wholesaler will be responsible for paying the alcohol tax on these transactions.
- Line 7: **Enter** the total gallons of beer sold to non-North Dakota wholesalers or other entities located outside North Dakota.
- Line 8: If the taproom is not located in North Dakota, **Enter** the total gallons sold at the taproom direct to consumers outside North Dakota.
- Line 9: Automatically calculates the total deductible gallons which are not taxed, (sum of Line 4, 5, 6, 7, and 8).

► **The tax rate for bulk beer is different than bottle or can beer so both categories are reported separately.**

- Line 10: **Enter** the total gallons of **bulk** beer sold direct to consumers during the calendar year from the licensed taproom premises located in North Dakota. Taprooms located out-of-state will not report and pay North Dakota wholesale alcohol tax on sales taking place at the out-of-state taproom premises.
- Line 11: **Enter** the total gallons of **bulk** beer sold direct to consumers by in-state and out-of-state North Dakota licensed taprooms during all special events held in North Dakota.
- Line 12: Automatically carries the total gallons of **bulk** beer sold direct to North Dakota retail locations during the calendar year from the Schedule T **Worksheet, Block B.**
- Line 13: Automatically calculates the total taxable **bulk** beer gallons entered in lines 10, 11, and 12).
- Line 14: **Enter** the total gallons of **bottle or can** beer sold direct to consumers during the calendar year from the licensed taproom premises located in North Dakota. Taprooms located out-of-state will not report and pay North Dakota wholesale alcohol tax on sales taking place at the out-of-state taproom premises.

- Line 15: **Enter** the total gallons of **bottle or can** beer sold direct to consumers by in-state and out-of-state North Dakota licensed taprooms during special events held in North Dakota.
- Line 16: Automatically carries the total gallons of **bottle or can** beer sold direct to North Dakota retail locations during the calendar year from the Schedule T **Worksheet, Block A**.
- Line 17: Automatically calculates the total **bottle or can** beer gallons entered in lines 14, 15, and 16.
- Line 18: Automatically calculates ending inventory gallons, line 3 minus lines 9, 13, and 17. This ending inventory must be brought forward to line 1 on next year's report.
- Line 19: Automatically calculates total tax due on **bulk** beer at the tax rate of \$.08 per gallon (line 13 times \$.08).
- Line 20: Automatically calculates total tax due on **bottle or can** beer at the tax rate of \$.16 per gallon (line 17 times \$.16).
- Line 21: Automatically calculates total tax due by adding tax calculated on line 19 and 20.
- Line 22: **If filing an amended return, enter** previously paid tax from previously filed return(s) for this reporting period.
- Line 23: Automatically calculates total tax due with this report, line 21 minus line 22.
- Line 24: **Enter** any penalty due on late returns (5% of tax due or \$5.00, whichever is greater, plus \$100 for each day the original report was late).
- Line 25: **Enter** any interest due on late returns (1% of tax due per month except for 1st month late).
- Line 26: Automatically calculates total tax, penalty, and interest due, sum of lines 23, 24, and 25.
- Line 27: **Enter the total amount remitted with this report.** This will be the amount you want drawn from your account using ACH Debit or the amount of your check. This is also the amount that should be entered on your beer voucher which is to be printed and mailed along with any payment made by check.

Filing Electronic Report:

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

Attach the completed Schedule T report in the Excel format to an e-mail, enter your 5 character brewer taproom's license number in the subject line, and submit the e-mail to alcoholtax@nd.gov. Send only one Schedule T 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 and submitted on or before the due date.

Payment Instructions

► **Make sure you have entered the amount in line 27 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.

The Amount entered on line 27 will also be the amount you enter on the beer voucher 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.

► **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 the electronically filed report will be required to be mailed with a completed "Beer Tax Payment Voucher" to insure that the payment can be properly matched to the appropriate report. The Beer 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, voucher and the amount you entered on Line 27 on the Schedule T Coversheet are all for the same amount.

Amending Schedule T Reports

Amended reports will be necessary when an original Schedule T report was incorrect. To amend an original report, a "**total replacement**" amended report will have to be electronically submitted. Enter an "A" for amended report instead of an "O" for original report on the Schedule T coversheet. After completing the report as it should have been reported, enter the amount of tax "previously paid" in Line 22 so that Line 23 reflects the

additional tax due or overpayment as a result of the new information. Previously paid tax entered on Line 22 would be the tax paid with the original return for that period or the total tax previously paid if more than one amendment had been previously submitted.

If the amount in Line 23 shows additional tax due, calculate and enter the penalty due on late returns (5% of total tax due on line 13 or \$5.00, whichever is greater) on Line 24 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 25. Line 26 automatically calculates the total tax, penalty, and interest due. Enter the amount of your payment on Line 27, **payment must be made using a check and voucher, ACH Debit is not available for amended reports**. Be sure to print a copy of the beer voucher and submit it along with your check so the payment can be matched to the correct account and filing period. If an overpayment results from the amended report, zero should be entered on Line 27 and a refund will be issued.

Contact 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