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NORTH
CAROLINA
DEPARTMENT
OF REVENUE

**Excise Tax Division
North Carolina Department of Revenue
Post Office Box 25000
Raleigh, North Carolina 27640-0001**
www.ncdor.gov

Important Notice: Alcoholic Beverage Tax, “Major Disaster” affected by Novel Coronavirus Disease 2019 (COVID-19)

May 5, 2020

In response to the hardship caused by COVID-19, the Department of Revenue (“Department”) is providing alternative means for wholesalers and importers to prove they qualify for the major disaster exemption on malt beverages or wine rendered unsalable.

This is effective from the date of issuance of this important notice through July 15, 2020 for all requests (Form B-C-750) to the Department to verify whether the taxpayer is eligible to claim the major disaster exemption.

Major Disaster

G.S. 105-113.81(a) defines a major disaster as the destruction, spoilage, or rendering unsalable of 50 or more cases, or the equivalent, of malt beverages or 25 or more cases, or the equivalent, of wine. The statute provides that wholesalers and importers of malt beverages and wine are not required to remit excise taxes on malt beverages or wine rendered unsalable by a major disaster. To qualify for the exemption, the wholesaler or importer shall prove to the satisfaction of the Secretary that a major disaster occurred.

Procedures to Claim Major Disaster Exemption

Normally, a Departmental representative must witness the destruction of the unsalable malt beverages or wine, and sign *Form B-C-750, Report of Alcoholic Beverages Major Disaster* before a taxpayer can qualify for the exemption. Due to the COVID-19 pandemic, the Department will not witness the destruction of malt beverages or wine claimed as a major disaster in person.

In lieu of in person verification, the Department will accept documentation such as reports, destruction invoices, pictures, or other documentation that substantiates the amount of malt beverages or wine claimed to be exempt was rendered unsalable by major disaster.

To obtain a Department verified Form B-C-750, required to claim a major disaster exemption, the taxpayer must:

1. Complete and submit *Form B-C-750, Report of Alcoholic Beverages Major Disaster*. In the “Describe How Verified” area, the taxpayer will write or type in “COVID-19.”
2. Attach documentation that proves to the satisfaction of the Department that the amount of malt beverages or wine claimed was destroyed, spoiled, or rendered unsalable.
3. Fax the Form and attachments to the Department at (919) 733-8654 or mail the completed Form and attachments to Department of Revenue, Excise Tax Division, PO Box 25000, Raleigh, NC 27640.

The Department will review the information provided, determine whether the information is sufficient to show that a major disaster occurred, and contact the taxpayer. If the information is satisfactory to the Department, the taxpayer will be faxed a signed copy of Form B-C-750 so the taxpayer can take the deduction on Line 4a of either the *B-C-710, Malt Beverages Wholesaler and Importer or Resident Brewery Excise Tax Return* or *B-C-784, Wine Wholesaler and Importer or Resident Winery Excise Tax Return*.

You can download any of these forms at www.ncdor.gov.

Questions

This Important Notice may be updated as new information becomes available. If you have any questions about this notice, you may call the Excise Tax Division at (919) 707-7500 or toll free (877) 308-9092.

The response to COVID-19 continues to evolve as North Carolina and taxpayers adapt to difficult circumstances. Taxpayers are encouraged to check for further updates published by the Department. To the extent there is any change to a statute or regulation, or new case law subsequent to the date of this notice, the provisions in this important notice may be superseded or voided. To the extent that any provisions in any other notice, directive, technical bulletin, or published guidance regarding the subject of this notice and issued prior to this notice conflict with this important notice, the provisions contained in this important notice supersede the previous guidance.