

# B-C-710 Instructions

## Malt Beverages Wholesaler and Importer and Resident Brewery Excise Tax Return Instructions

### General Instructions

The Form B-C-710, Malt Beverages Wholesaler and Importer and Resident Brewery Excise Tax Return is required to be filed monthly by those holding any of the following permit types issued by the North Carolina Alcoholic Beverage Control (ABC) Commission:

- Brewery (N.C.G.S. 18B-1104)
- Malt Beverages Importer (N.C.G.S. 18B-1108)
- Malt Beverages Wholesaler (N.C.G.S. 18B-1109)

North Carolina Gen. Stat. 105-113.83A requires the holders of the permits listed above to register with the North Carolina Department of Revenue and to file and pay excise tax. The excise tax is levied on the sale of alcoholic beverages and is payable by the first resident malt beverages wholesaler or importer receiving the product for sale or resale, or resident brewery producing or receiving the product for sale, in this State.

**Note: If you are a resident brewery, in addition to this monthly return, you must also file Form B-C-715, Nonresident Malt Beverages Vendor and Resident Brewery Monthly Report for Transactions to N.C. Malt Beverages Wholesalers, Importers, or Bottlers, each month.**

Complete all information at the top of Form B-C-710 including Return for Month Ended, Legal Name (first 35 characters), Trade Name, Mailing Address, City, State, Zip Code, State of Domicile, FEIN or SSN, NCDOR ID/Account Number, ABC Permit Number, Contact Person, Phone Number, and Fax Number. **Note:** For Contact Person, pursuant to N.C.G.S. 105-259, tax information is confidential. If a contact person is someone other than an owner, officer, member, or partner of the business entity, complete and submit Form Gen-58, Power of Attorney and Declaration of Representative, which grants authority to an individual to represent a taxpayer before the Department of Revenue and to receive and inspect confidential tax information. If a reporting service is used to file required returns or reports, the taxpayer must submit Form Gen-58, Power of Attorney and Declaration of Representative, for each individual preparer(s) of the return or report. Reporting services are reminded to always submit returns or reports using the taxpayer's legal name and mailing address.

This return and payment (if applicable) are due on or before the 15th day of the month following the month in which the alcoholic beverages is first sold or otherwise disposed of in this State. A return must be filed even if no tax is due. A return is filed when it is received by the Department or postmarked by the due date. If the due date falls on a Saturday, Sunday, or state holiday, the return and payment **MUST BE RECEIVED** by the Department or **MUST BE POSTMARKED** on the next business day. This also applies to returns when no tax is due. Records must be kept for three years from the due date of the return to which the records apply. **Note: A paper return must be submitted, even if payment is made electronically. Do not enter negative amounts and round amounts entered to the nearest whole number.**

If the return and payment are not submitted timely, the discount deduction will be disallowed. A failure to file penalty will be assessed when returns are not received by the due date of the return, based upon the amount of tax due on the return. A five percent (5%) per month, up to twenty-five percent (25%) maximum penalty, will be assessed for each month the return is late. A failure to pay penalty of five percent (5%) of the amount of tax due and not paid will be assessed when the payment is not received by the due date of the return. In addition, interest will be charged at a daily rate from the date the tax is due until the date the tax is paid. The interest rate is subject to change every six months; therefore, the rates should be verified on the Department's website at [www.ncdor.gov](http://www.ncdor.gov).

**Amended Returns:** Prior period adjustments are not allowed on current returns. If you must amend a previously filed Malt Beverages Wholesaler and Importer and Resident Brewery Excise Tax Return, you must complete Form B-C-710, Malt Beverages Wholesaler and Importer and Resident Brewery Excise Tax Return showing the required adjustments for the amended period. You must also mark the return as amended by filling in the circle indicating an amended return.

**No Transactions:** If you have no reportable transactions and no tax due for the reporting period, you may mark the return as having no activity by filling in the circle indicating no transactions.

## Line-by-Line Instructions

### Part 1. Computation of Malt Beverage Excise Tax

#### **Line 1 - Beginning Inventory**

Enter the total number of gallons of malt beverage in inventory at the beginning of the month. The figures should agree with the prior month's ending inventory. Note: If this is the first month of producing or receiving the product, the beginning inventory should be zero.

#### **Line 2 - Total Gallons Received or Produced for Sale**

Enter the total number of gallons of malt beverage received or produced for sale during the month from Part 2. Credit memorandums should be deducted from listed purchases. Malt beverage destroyed while in the hands of a common carrier between the brewery and resident malt beverage wholesaler or importer may be deducted from listed purchases when paid for by the common carrier. **Deductions will not be allowed without satisfactory explanations including the description and amount of malt beverage destroyed and the invoice number.**

#### **Line 3 - Total Gallons Available**

Add Lines 1 and 2. Enter the result.

#### **Line 4 -**

**a. Allowable Deductions** - include sales to ocean going vessels, out-of-state sales and major disasters. A major disaster covers losses in a single event of 50 or more cases, or the equivalent, of malt beverages and must be verified by a revenue agent on Form B-C-750, Report of Alcoholic Beverages Major Disaster. (Resident breweries are not required to remit excise taxes on malt beverages given free of charge to customers, visitors, and employees on the manufacturer licensed premises for consumption on these premises). **Copies of invoices and other relevant documentation and bills of lading must be furnished to claim these deductions. NOTE: For those claiming a deduction for a major disaster, please attach Form B-C-750, Report of Alcoholic Beverages Major Disaster, that is complete and has been verified and signed by the Department.**

**b. Adjustments to Taxable Transactions** - total number of gallons of malt beverage purchased tax-paid from other resident wholesalers or importers listed in Part 3. Tax-paid purchases from other resident wholesalers or importers are to be reported in Part 3 and deducted as an adjustment to taxable transactions. Copies of purchase invoices must be maintained for three years.

**c. Military Sales** - total number of gallons of malt beverage sold to the U.S. military in North Carolina during the month from Part 4.

**d. Ending Inventory** - total numbers of gallons in inventory at the end of the month. **Do not enter negative amounts.**

#### **Line 5 - Total Taxable Gallons**

Line 3 minus Lines 4a, 4b, 4c, and 4d. Enter the result.

#### **Line 6 - Total Excise Tax Due**

Multiply Line 5 by 61.71¢ (0.6171). Enter the result (round to the nearest whole number).

#### **Line 7 - Discount**

Multiply Line 6 by 2% (0.02) if return with full payment is timely filed. Enter the result (round to the nearest whole number; otherwise enter zero).

#### **Line 8 - Net Tax Due**

Line 6 minus Line 7. Enter the result (round to the nearest whole number).

#### **Line 9 - Penalty**

Payment of the Failure to File Penalty is required with any return filed after the date the return is due. If this return is late, the penalty is 5% per month or any fraction thereof, with a maximum of 25% of the tax that is due.

Payment of the Failure to Pay Penalty is required with any payment received after the date the return is due. If the payment is late, the penalty is five percent (5%) of the tax that is due.

Multiply Line 6 by the applicable rate above. Enter the result (round to the nearest whole number).

#### **Line 10 - Interest**

Payment of interest is required when payment on any return, with tax due, is late. The interest rate is subject to change every six months; therefore, you should verify the rate on the Department's website at [www.ncdor.gov](http://www.ncdor.gov).

Multiply Line 6 by the applicable rate. Enter the result (round to the nearest whole number).

#### **Line 11 - Total Payment Due**

Add Lines 8 through 10. Enter the result (round to the nearest whole number). This is the amount due to be paid with the return. Your payment should equal the amount on Line 11 on the return. Make checks or money orders payable to the North Carolina Department of Revenue and include your NCDOR ID number on your check or money order. **Any payment must be drawn on a U.S. (domestic) bank and payable in U.S. dollars.**

#### **Part 2. Malt Beverage Received by Wholesalers and Importers During the Month** **Malt Beverage Produced for Sale by Resident Breweries During the Month**

Complete all information including Invoice Date, Invoice Number, Names and Addresses of Suppliers, and amounts of Malt Beverage (in Gallons).

- Wholesaler – Report the information requested for all malt beverages sold/received.
- Importer – Report the information requested for all malt beverages imported from outside the United States and sold to resident malt beverage wholesalers for resale in this State.
- Resident Brewery – Report the information requested for all malt beverages sold 1) to consumers at the brewery or affiliated retail outlets; 2) at special events pursuant to a properly issued ABC permit; and 3) to retailers within the State.

Note: If adequate space is not available, write "See attached" in Part 2 of the form and attach a separate document labeled, "Part 2. Malt Beverage Received by Wholesalers and Importers During the Month" for wholesalers and importers or "Part 2. Malt Beverage Produced for Sale by Resident Breweries During the Month" for resident breweries. Make sure to include your legal name, NCDOR ID, and all required information on the separate document.

Enter the total from Part 2 on Part 1, Line 2 of the B-C-710 return.

#### **Part 3. Malt Beverage Purchased from Other Resident Wholesalers or Importers During the Month**

Complete all information including Invoice Date, Invoice Number, Names and Addresses of Wholesaler or Importers, and amount of Malt Beverage (in Gallons) for any tax-paid purchases from other resident wholesalers or importers. Note: If adequate space is not available, write "See attached" in Part 3 of the form and attach a separate document labeled, "Part 3. Malt Beverage Purchased from Other Resident Wholesalers or Importers". Make sure to include your legal name, NCDOR ID, and all required information on the separate document.

Enter total from Part 3 on Part 1, Line 4b of the B-C-710 return.

#### **Part 4. Malt Beverage Sold to U.S. Military in North Carolina During the Month**

Complete all information including Invoice Date, Invoice Number, Names and Addresses of U.S. Military Bases, and amount of Malt Beverage (in Gallons). Note: If adequate space is not available, write "See attached" in Part 4 of the form and attach a separate document labeled, "Part 4. Malt Beverage Sold to U.S. Military in North Carolina During the Month". Make sure to include your legal name, NCDOR ID, and all required information on the separate document.

Enter the total from Part 4 on Part 1, Line 4c of the B-C-710 return.

**Failure to comply with provisions of Article 2C of Chapter 105 of the North Carolina General Statutes is a Class 1 Misdemeanor.**