

B-C-784 Instructions Wine Wholesaler and Importer and Resident Winery Excise Tax Return Instructions

General Instructions

The Form B-C-784, Wine Wholesaler and Importer and Resident Winery 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:

- Unfortified Winery (N.C.G.S. 18B-1101)
- Fortified Winery (N.C.G.S. 18B-1102)
- Wine Importer (N.C.G.S. 18B-1106)
- Wine Wholesaler (N.C.G.S. 18B-1107)
- Wine Producer (N.C.G.S. 18B-1114.3)

Note: If you are a resident winery that also holds a wine shipper permit, in addition to this monthly return, you must also file Form B-C-786, Wine Shipper Permittee Annual Excise Tax Return, each year.

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 wine wholesaler or importer receiving the product for sale or resale or by the resident winery or wine producer producing or receiving the product for sale in this State.

Complete all information at the top of Form B-C-784 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: 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 ten percent (10%) 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.

Amended Returns: Prior period adjustments are not allowed on current returns. If you must amend a previously filed Wine Wholesaler and Importer and Resident Winery Excise Tax Return, you must complete Form B-C-784, Wine Wholesaler and Importer and Resident Winery 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 Wine Excise Tax

Line 1 - Beginning Inventory

Enter the total number of liters of unfortified and/or fortified wine 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 Liters Received or Produced for Sale

Enter the total number of liters of unfortified and/or fortified wine received or produced for sale during the month from Part 2. Credit memorandums should be deducted from listed purchases. Unfortified and/or fortified wine destroyed while in the hands of a common carrier between the winery and resident wine 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 unfortified and/or fortified wine destroyed and the invoice number.**

Line 3 - Total Liters Available

Add Lines 1 and 2. Enter the result(s).

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 25 or more cases, or the equivalent, of wine and must be verified by a revenue agent on Form B-C-750, Report of Alcoholic Beverages Major Disaster. (Resident wineries are not required to remit excise taxes on wine 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.**

b. Adjustments to Taxable Transactions - total number of liters of unfortified and/or fortified wine purchased tax-paid from other resident wine wholesalers or importers from Part 3. Tax-paid purchases from other resident wine 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 liters of unfortified and/or fortified wine sold to U.S. military in North Carolina during the month from Part 4.

d. Ending Inventory - total numbers of liters of unfortified and/or fortified wine in inventory at the end of the month. **Do not enter negative amounts.**

Line 5 - Total Taxable Liters

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

Line 6 - Tax Rate

Unfortified Wine - 26.34¢ (0.2634) Fortified Wine - 29.34¢ (0.2934)

Line 7 - Total Excise Tax Due

Multiply Line 5 by applicable rate on Line 6. Enter the result(s) (round to the nearest whole number).

Line 8 - Discount

Multiply Line 7 by 2% (0.02) if return with full payment is timely filed. Enter the result(s) (round to the nearest whole number); otherwise enter zero.

Line 9 - Net Tax Due

Line 7 minus Line 8. Enter the result(s) (round to the nearest whole number).

Line 10 - 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 10% of the tax that is due.

Multiply Line 9 by the applicable rate above. Enter the result(s) (round to the nearest whole number).

Line 11 - 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.

Multiply Line 9 by the applicable rate. Enter the result(s) (round to the nearest whole number).

Line 12 - Total Due

Add Lines 9 through 11. Enter the result(s) (round to the nearest whole number).

Line 13 - Total Payment Due

Add Line 12 for both unfortified and/or fortified wine. 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 13 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. Wine Received by Wholesalers and Importers During the Month **Wine Produced for Sale by Resident Wineries During the Month**

Complete all information including Invoice Date, Invoice Number, Names and Addresses of Suppliers, amount of Unfortified Wine (in Liters), and amount of Fortified Wine (in Liters).

- Wholesaler – Report the information requested for all unfortified and/or fortified wine sold/received.
- Importer – Report the information requested for all unfortified and/or fortified wine imported from outside the United States and sold to resident wine wholesalers for resale in this State.
- Resident Winery – Report the information requested for all unfortified and/or fortified wine sold 1) to consumers at the winery or affiliated retail outlets; 2) at special events pursuant to a properly issued ABC permit; and 3) to retailers within the State.
- Resident Wine Producer – Report the information requested for all unfortified and/or fortified wine sold to retailers in this 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. Wine Received by Wholesalers and Importers During the Month" for wholesalers and importers or "Part 2. Wine Produced for Sale by Resident Wineries During the Month" for resident wineries or wine producers. 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-784 return.

Part 3. Wine Purchased from Other Resident Wholesalers or Importers During the Month

Complete all information including Invoice Date, Invoice Number, Names and Addresses of Resident Wholesalers or Importers, amount of Unfortified Wine (in Liters), and amount of Fortified Wine (in Liters). Note: If adequate space is not available, write "See attached" in Part 3 of the form and attach a separate document labeled, "Part 3. Wine Purchased from Other

Resident Wholesalers or Importers 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 3 on Part 1, Line 4b of the B-C-784 return.

Part 4. Wine Sales 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, amount of Unfortified Wine (in Liters), and amount of Fortified Wine (in Liters). Note: If adequate space is not available, write "See attached" in Part 4 of the form and attach a separate document labeled, "Part 4. Wine Sales 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-784 return.

Part 5. Liters Sold to Wholesalers in North Carolina Non-Tax-Paid During the Month

Complete all information including Invoice Date, Invoice Number, Names and Addresses of NC Wholesalers, amount of Unfortified Wine (in Liters), and amount of Fortified Wine (in Liters).

- Resident Wineries and Wine Producers must report the total amount of unfortified and/or fortified wine (in liters) sold to resident wine wholesalers in North Carolina non-tax-paid for which the resident wine wholesaler is responsible for payment of the excise tax.

Note: If adequate space is not available, write "See attached" in Part 5 of the form and attach a separate document labeled, "Part 5. Liters Sold to Wholesalers in North Carolina Non-Tax-Paid During the Month". Make sure to include your legal name, NCDOR ID, and all required information on the separate document.

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