



NORTH DAKOTA

Brian Kroshus, Tax Commissioner

## SCHEDULE E MONTHLY MICROBREW PUB REPORT ELECTRONIC FILING INSTRUCTIONS

North Dakota Century Code (N.D.C.C.) § 5-01-14 provides that microbrew pubs must be licensed and will report and pay tax based on the total gallons sold directly to consumers during the preceding calendar month at a rate set forth in N.D.C.C. § 5-03-07. The tax reports must be submitted on forms and in a format prescribed by the North Dakota Office of State Tax Commissioner. The Office of State Tax Commissioner has designated “Schedule E” as the monthly microbrew pub form to be used for reporting and paying tax and must be filed electronically. Schedule E is a monthly report that is due on or before the fifteenth day of each month following the month that beer production or sales occurred and is required to be filed electronically. Zero reports are required even if no malt beverages were manufactured or sold.

North Dakota Century Code § 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 5% of the total amount of the tax or \$5, whichever is greater, plus interest of 1% of the tax per month or fraction of a month of delay, except the month the return or tax becomes due. Failing to furnish reports when required must be assessed a penalty of \$100 for each day such reports are delinquent.

### **For purposes of this report, the following definitions apply:**

**Affiliated** means related to the microbrew pub through an 85% or more common ownership, measured annually.

**Beer** means any malt beverage containing one-half of one percent or more of alcohol by volume and includes an alcoholic beverage made by the fermentation of malt substitutes, including rice, grain of any kind, glucose, sugar, or molasses, which has not undergone distillation.

**Bottle or can** means any container, regardless of the material it is made from, having a capacity less than one-sixth barrel for use in retail sales of malt beverages.

**Bulk** means containers having a capacity of one-sixth barrel or more for use in retail sales of malt beverages.

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

### **Schedule E Filing Instructions**

- Use the Schedule E report form designated for electronic filing.
- Each month begin with a new (blank) Schedule E report form.
- Only report invoices or transactions for the current reporting month on the original return; if you have invoices or transactions from a previous period that were not reported, or were reported in error, see amended return reporting instructions for correct reporting procedures – do not include these prior period entries on your current report.
- All beer transferred must be accounted for and will be reviewed for accuracy.
- Beer in bulk received from an affiliated microbrew pub must be entered as a Non-Taxable Deduction on your report, as tax is due from the microbrew pub that manufactured the beer.
- Enter all bulk beer in wine gallons rounded to two decimal places.
- Calculation formulas have been provided in highlighted fields and these fields are protected.



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### Schedule E Coversheet

1. Report Period: Enter the reporting calendar year and month in the YYYYMM format (i.e., 202203).
2. Original or Amended Return: Enter "O" for original return or "A" for amended return.
3. Microbrew Pub's Name: Enter the name on your North Dakota Beer Manufacturer License.
4. Microbrew Pub's FEIN: Enter the company assigned nine-digit Federal Employer Identification Number.
5. Microbrew Pub's Five-Digit License Number: Enter your five-digit North Dakota Beer Manufacturer license number.
6. Address, City, State, and Zip Code: Enter the company's mailing address.
7. Phone Number: Enter the 10-digit phone number of the contact person.
8. Email Address: Enter the contact person's email address.

### Go to Schedule E Worksheet

This schedule should be completed if you transferred manufactured beer in bulk to an affiliated microbrew pub. Failure to complete this worksheet will result in inventory numbers being inflated as well as additional tax, penalties, and interest being due.

- The first four information fields will fill in automatically pulling the information entered on the Schedule E Coversheet.
- Do not leave any field blank when completing Column 1 through Column 6 of this report.

Begin on the first blank row under Column 1 of this worksheet and enter the following information for each transferred shipment:

#### Column 1:

Enter the North Dakota Microbrew Pub five-digit license number of the microbrew pub receiving the bulk transfer of manufactured beer.

#### Column 2:

Enter the invoice date in the mm/dd/yyyy format (i.e., 01/25/2022).

#### Column 3:

Enter the invoice number pertaining to the transfer.

#### Column 4:

Enter the licensed name of the microbrew pub receiving the bulk transfer of manufactured beer.

#### Column 5:

Enter the invoice delivery address. The delivery address must be the address on the North Dakota Microbrew Pub License. Delivery to any other address is not allowed.

#### Column 6:

Enter the invoice delivery city.

#### Column 7:

Enter the bulk beer gallons listed on the invoice, rounded to two decimal places.

Block A on this worksheet sums the grand total volume in gallons, rounded to two decimal places. This amount will automatically carry to the Schedule E Coversheet line 13 and is used to calculate the tax due.



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### Tribal Sales Schedule

#### Column A:

Enter the schedule code that best describes the transaction, i.e., number 6, 7, or 8 as shown on the worksheet.

#### Column B:

Enter the tribal code that matches the location/affiliation of the retailer, i.e., letter A represents sales to a retailer within the boundaries of the MHA reservation (Mandan, Hidatsa, and Arikara Nation).

#### Column D:

Enter the name of the retailer or direct ship consumer to whom alcohol was sold.

#### Columns E-F:

Enter the grand total of all sales for the reporting period to each individual retailer in gallons, rounded to two decimal places, in the appropriate category. Complete a separate line entry for each retailer to whom alcohol was sold. Do not leave blank rows.

### Return to the Schedule E Coversheet and complete the report beginning with line 1.

- Line 1: Enter the beginning beer inventory gallons for the reporting period. This would be the ending inventory reported on line 18 of last month's report.
- Line 2: Enter the gallons of beer produced during the month that is ready for sale or use.
- Line 3: Enter the gallons of bulk beer received from an affiliated microbrew pub.
- Line 4: Automatically calculates total beer gallons available (sum of lines 1, 2, and 3).
- Line 5: Automatically carries forward the gallons of bulk beer transferred from an affiliated microbrew pub, line 3.
- Line 6: Enter the gallons of beer removed from inventory that cannot be sold or used.
- Line 7: Enter the gallons of beer removed from inventory for tasting or personal use.
- Line 8: Enter the total gallons of beer sold to wholesalers during the month from the Schedule C Report. The wholesalers are responsible for paying alcohol tax on these gallons.
- Line 9: Enter the gallons of beer sold to wholesalers located outside of and not licensed in North Dakota. These sales are subject to the receiving state's laws.
- Line 10: Automatically calculates total deductible gallons that are not taxable for the month (sum of lines 5, 6, 7, 8, and 9).
- Line 11: Enter the gallons of beer sold in bulk containers on-sale and off-sale at the microbrew pub's location.
- Line 12: Enter the gallons of beer sold in bulk containers at North Dakota licensed special events.
- Line 13: Automatically carries forward the total gallons of bulk beer transferred to an affiliated microbrew pub from the Schedule E Worksheet.
- Line 14: Automatically calculates the total amount of taxable bulk beer gallons (sum of lines 11, 12, and 13).
- Line 15: Enter the gallons of beer sold in bottles and cans, both on-sale and off-sale, at the microbrew pub's location.



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- Line 16: Enter the gallons of beer sold or dispensed, in bottles and cans, at North Dakota licensed special events.
- Line 17: Automatically calculates total amount of taxable bottle and can gallons (sum of lines 15 and 16).
- Line 18: Automatically calculates ending inventory (line 4 minus lines 10, 14, and 17). This is the ending inventory and must be line 1 on the next month's Schedule E Coversheet.
- Line 19: Automatically calculates the total tax due on beer in bulk containers, \$0.08 per gallon times the total gallons from line 14.
- Line 20: Automatically calculates the total tax due on beer in bottles and cans, \$0.16 per gallon times the total gallons from line 17.
- Line 21: Automatically calculates the total tax due (sum of lines 19 and 20).
- Line 22: If filing an amended return, enter previous tax paid for the original return filed for this reporting period.
- Line 23: Automatically calculates the total tax due for this report less any previous payments (line 21 minus line 22).
- Line 24: Enter payment penalty on late or amended returns if applicable (5% of tax due on line 21 or \$5.00, whichever is greater). For late returns, also calculate the failure to file penalty of \$100 per day late beginning with the day following the due date and include that amount.
- Line 25: Enter interest on late or amended returns if applicable (1% of tax due per month except for month after the report or tax becomes due).
- Line 26: Automatically calculates the 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. See payment instructions below.

### Electronically File Report

Completed reports are to be filed electronically as required under N.D.C.C. §§ 5-01 and 5-03 on North Dakota Taxpayer Access Point (ND TAP) - [tax.nd.gov/tap](http://tax.nd.gov/tap). Be sure you are submitting the report in the Excel .xls format prescribed by the Office of State Tax Commissioner.

New users will need to register for ND TAP access at [tax.nd.gov/tap](http://tax.nd.gov/tap). Please follow these steps to create your ND TAP account:

- Sign Up for Access
  - o Create an ND TAP logon and password. An authorization code will be either mailed or emailed to you or the business depending on the access level chosen.
- Log in to ND TAP
  - o Once you receive your authorization code you may log in to ND TAP. The authorization code is only used the very first time you log in to ND TAP. You may discard the code after successfully logging into the system.
- Add access to account(s)
  - o Once a user is logged in, he/she can request access to an account by selecting "Add / Grant Access" then "Add Access to Another Account" and enter the following information about the taxpayer and account:



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- Entity Type (Corporation, Sole Proprietor, etc.)
- Identification Number (FEIN or SSN)
- Type of Account (Liquor Tax)
- Account Number
- Letter ID (from a recent letter issued on the account). The ND TAP authorization code letter will not work for this step; it must be a letter specific to your liquor tax account.

### Payment Instructions

Make sure you have entered the amount in line 27 from the Coversheet that you wish to pay.

If there is a balance due from a return that is being filed, you will be prompted to make a payment (either within the return itself or from the confirmation page).

If you want to make a payment separate from filing a return, click on the “Make a Payment” link on the corresponding account tile.

The following are the various payment methods accepted by the State of North Dakota:

- ACH Debit (most frequently used): An Electronic Payment authorizes the Office of State Tax Commissioner to debit a checking or savings account for a specific amount. It is free to use this payment type.
  - o If you have selected to pay by ACH Debit and have an ACH Debit block on your bank account, you must inform your financial institution of the Office of State Tax Commissioner’s Originator ID to avoid your payment being rejected. The Office of State Tax Commissioner’s number is 1450309764.
- ACH Credit: An ACH Credit is an electronic payment you initiate from your financial institution. Your financial institution may charge you a fee for using this payment type.
- Debit/Credit Card: Pay with a Debit or Credit Card through Fidelity National Information Services (FIS), an authorized IRS payment processor.
  - o A non-refundable convenience fee is charged by FIS.
  - o Company ID for taxpayer to provide to their bank for those who have their account blocked is 0000079161.
- Paper Check: Mail a paper check to the Office of State Tax Commissioner using a payment voucher.
  - o The check and voucher must be postmarked by the due date of the return to be considered timely filed.
  - o 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 Coversheet, line 27.

### Amending Schedule E Reports

Amended reports are necessary when a microbrew pub fails to report correctly. To correct an original report, a “total replacement” amended report must be electronically submitted.



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The taxpayer will enter an “A” for amended report instead of “O” for original report on the Schedule E 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 tax due or overpaid 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.

If the amount in line 23 shows additional tax due, calculate and enter the penalty due for late payment (5% of the total tax due on line 23 or \$5.00, whichever is greater) on line 24 and enter interest for late payment if applicable (1% of tax due per month except for the 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. If an overpayment results from the amended report, zero should be entered on line 27 and a refund will be issued.

### Reminders

- North Dakota Microbrew pubs are to include all beer manufactured, transferred, discarded, and sold during the reporting period.
- When completing the Schedule E Worksheet, do not leave blank rows between entries. All required fields must be completed for each entry (Column 1 through Column 6). Reports cannot be processed if they contain blank rows or empty fields in a row.
- All beer volumes are to be reported in gallons, rounded to two decimal places.

### Contacts:

Taxpayer Assistance: 701-328-2702  
Fax Number: 701-328-0336  
Email: [alcoholtax@nd.gov](mailto:alcoholtax@nd.gov)  
Website: [tax.nd.gov](http://tax.nd.gov)

### Mailing Address:

Wholesale and Oil Taxes - Alcohol Section  
Office of State Tax Commissioner  
600 E. Boulevard Ave., Dept. 127  
Bismarck, ND 58505-0599