



Schedule T – 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 25,000 barrels (775,000 gallons) of malt beverages annually may apply for a brewer taproom license at the cost of \$500 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 brewer taprooms located outside of North Dakota will be able to apply for a special event permit for events located in North Dakota and sell direct to North Dakota licensed retailers provided their state law permits such activity.

The North Dakota Office of State Tax Commissioner has designated “Schedule T” as the brewer taproom annual report showing beginning inventory, production quantity, sales information, and ending inventory. The Schedule T is due on or before **January 15** of the year following the year production or sales occurred and is required to be filed electronically. Zero reports are required even if no malt beverages were manufactured or sold.

N.D.C.C. § 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 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. Failing to furnish reports when required must be assessed a penalty of **100 dollars** 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 percent 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 U.S. gallon of liquid measure equivalent to the volume of 231 cubic inches and equal to 128 ounces.

Schedule T Filing Instructions

- Use the Schedule T report form designated for electronic filing.
- Each year begin with a new (blank) Schedule T report form.
- Only report invoices or transactions for the current reporting year 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 brewer taproom must be entered as a non-taxable deduction on your report, as tax is due from the brewer taproom that manufactured the beer.
- Enter all bulk beer in beer gallons rounded to two decimal places.
- Calculation formulas have been provided in highlighted fields and these fields are protected.

Schedule T Coversheet

Report Period: Enter the reporting calendar year in the YYYYMM format (i.e., 202201).

Original or Amended Return: Enter “O” for original return or an “A” for amended return.

Brewer Taproom’s Name: Enter the name on your North Dakota Brewer Taproom License.

Brewer Taproom’s FEIN: Enter the company assigned nine-digit Federal Employer Identification Number.

Brewer Taproom’s Five Digit License Number: Enter your five-digit North Dakota Brewer Taproom license number.

Address, City, State, and Zip Code: Enter the company’s mailing address.

Phone Number: Enter the 10-digit phone number of the contact person.

Email Address: Enter the contact person’s email address.

Go to Schedule T Worksheet

This schedule should be completed if you have sold manufactured beer direct to a North Dakota licensed retailer.

- The first four information fields will fill in automatically pulling the information entered on the Schedule T 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 transaction:

Column 1:

Enter the North Dakota Retailer’s State Liquor license number of the retailer purchasing the manufactured beer. This information can be found on the North Dakota Attorney’s General website at www.attorneygeneral.nd.gov/licensing-and-gaming/license-holders.

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 sale.

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Column 4:

Enter the name of the North Dakota licensed retailer purchasing the product.

Column 5:

Enter the North Dakota licensed retailer's street address.

Column 6:

Enter the North Dakota licensed retailer's city.

Column 7:

Enter the manufactured beer gallons sold in bottles and cans listed on the invoice, rounded to two decimal places.

Column 8:

Enter the manufactured beer gallons sold in bulk (keg) containers listed on the invoice, rounded to two decimal places.

Blocks A and B on this worksheet sums the grand total volume in gallons, rounded to two decimal places. This amount will automatically carry to the Schedule T Coversheet lines 19 and 15 respectively and are used to calculate the tax due.

Go to Schedule T Transfer Worksheet

This schedule should be completed if you have transferred manufactured beer in bulk to an affiliated brewer taproom. 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 T Coversheet.
- Do not leave any field blank when completing Column 1 through Column 6 of this report.

Column 1:

Enter the North Dakota Brewer Taproom five-digit license number of the brewer taproom 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 brewer taproom 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 Brewer Taproom 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.

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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 T Coversheet line 14 and is used to calculate the tax due.

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

- Line 1: **Enter** the beginning beer inventory gallons for the annual reporting period. This is the ending inventory reported on line 21 of last year's report.
- Line 2: **Enter** the gallons of beer produced during the year that is ready for sale or use.
- Line 3: **Enter** the gallons of bulk beer received from an affiliated brewer taproom.
- 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 brewer taproom, line 3. The tax on these gallons is due from the brewer taproom that manufactured them.
- 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 year from the Schedule C Supplier's Monthly Beer 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: If the brewer taproom is not located in North Dakota, enter the total gallons sold at the taproom direct to consumers (outside of North Dakota).
- Line 11: Automatically calculates total deductible gallons that are not taxable for the month (sum of lines 5, 6, 7, 8, 9 and 10).
- Line 12: **Enter** the gallons of beer in bulk sold direct to consumers at the brewer taproom's licensed premises located in North Dakota. Brewer 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 13: **Enter** the gallons of beer sold in bulk direct to consumers at North Dakota licensed special events.
- Line 14: Automatically carries forward the total gallons of beer in bulk transferred to an affiliated brewer taproom from the Schedule T Transfer Worksheet, Block A.
- Line 15: Automatically carries forward the total gallons of beer in bulk sold direct to North Dakota licensed retailers from the Schedule T Worksheet, Block B.
- Line 16: Automatically calculates the total amount of taxable bulk beer gallons (sum of lines 12, 13, 14 and 15).
- Line 17: **Enter** the gallons of beer sold in bottles and cans direct to consumers at the brewer taproom's licensed premises located in North Dakota.
- Line 18: **Enter** the gallons of beer sold or dispensed in bottles and cans at North Dakota licensed special events.
- Line 19: Automatically carries forward the total gallons of beer in bottles and cans sold direct to North Dakota licensed retailers from the Schedule T Worksheet, Block A.
- Line 20: Automatically calculates total amount of taxable bottle and can gallons (sum of lines 17, 18 and 19).
- Line 21: Automatically calculates ending inventory (line 4 minus lines 11, 16, and 20). This is the ending inventory and must be line 1 on the next year's Schedule T Coversheet.
- Line 22: Automatically calculates the total tax due on beer in bulk containers, \$0.08 per gallon times the total gallons from line 16.

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- Line 23: Automatically calculates the total tax due on beer in bottles and cans, \$0.16 per gallon times the total gallons from line 20.
- Line 24: Automatically calculates the total tax due (sum of lines 22 and 23).
- Line 25: **If filing an amended return**, enter previous tax paid for the original return filed for this reporting period.
- Line 26: Automatically calculates the total tax due for this report less any previous payments (line 24 minus line 25).
- Line 27: **Enter** payment penalty on late or amended returns if applicable (5% of tax due from line 24 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 28: **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 29: Automatically calculates the total tax, penalty, and interest due (sum of lines 26, 27, and 28).
- Line 30: **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) - www.tax.nd.gov/tap. Be sure you are submitting the report in the Excel .xlsx format prescribed by the Office of State Tax Commissioner.

New users will need to register for ND TAP access at www.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 into 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:
 - Entity Type (Corporation, Sole Proprietor, etc.)
 - Identification Number (FEIN or SSN)
 - Type of Account (Beer Tax)
 - Account Number
 - Letter ID (from a recent letter issued on the account). Your TAP authorization code letter will not work for this step; it must be a letter specific to your beer tax account.

Payment Instructions

Make sure you have entered the amount in line 30 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 30.

Amending Schedule T Reports

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

The taxpayer will enter an “A” for amended report instead of “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 25 so that line 26 reflects the tax due or overpaid as a result of the new information. Previously paid tax entered on line 25 is the tax paid with the original return for that period.

If the amount in line 26 shows additional tax due, calculate and enter the penalty due for late payment (5% of the total tax due on line 26 or \$5.00, whichever is greater) on line 27 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 28. Line 29 automatically calculates the total tax, penalty, and interest due. Enter the amount of your payment on line 30. If an overpayment results from the amended report, zero should be entered on line 30 and a refund will be issued.

Reminders

- North Dakota Brewer Taprooms are to include all beer manufactured, transferred, discarded, and sold during the reporting period.
- When completing the Schedule T Worksheet or Schedule T Transfer 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.
- The tax rate for bulk beer is different than the tax rate for bottle or can beer; these categories are reported separately.
- All beer volumes are to be reported in gallons, rounded to two decimal places.

Contacts:

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Website: tax.nd.gov

Mailing Address:

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