

B-C-775 Instructions Spirituous Liquor/Antique Spirituous Liquor Excise Tax Return Instructions

General Instructions

The Form B-C-775, Spirituous Liquor/Antique Spirituous Liquor Tax Return is required to be filed monthly by all local Alcoholic Beverage Control (ABC) Boards and all distilleries holding a distillery permit issued by the Alcoholic Beverage Control (ABC) Commission under G.S. 18B-1105 that conduct tours and sell commemorative bottles.

North Carolina Gen. Stat. 105-113.83(a) requires ABC Boards and distillery permittees to file and pay excise tax. North Carolina Gen. Stat. 105-113.83A requires distilleries to register with the North Carolina Department of Revenue.

Complete all information at the top of Form B-C-775 including Return for Month Ended, Name of County, Municipal ABC Board or Distillery (first 35 characters), Mailing Address, City, State, Zip Code, State of Domicile, FEIN or SSN, NCDOR ID/Account 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 taxable sales and other activities occur. 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.**

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 Spirituous Liquor/Antique Spirituous Liquor Tax Return, you must complete Form B-C-775, Spirituous Liquor/Antique Spirituous Liquor 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

Computation of Tax on Spirituous Liquor/Antique Spirituous Liquor Sales and Mixed Beverages Surcharge

Line 1 - Total Retail Sales of Spirituous Liquor/Antique Spirituous Liquor

Enter the total retail sales of spirituous liquor or antique spirituous liquor sold during the month. The "total retail sales" amount includes all applicable uniform State pricing components, including the excise tax, as set out in G.S. 18B-804. Enter the result (round to the nearest whole number).

Line 2 - (Applies to ABC Boards Only)

a. 1¢ or 5¢ bottle charge - If applicable, a bottle charge of one cent (1¢) on each bottle containing 50 milliliters or less and five cents (5¢) on each bottle containing more than 50 milliliters. Enter the result (round to the nearest whole number).

b. Additional 1¢ or 5¢ bottle charge - If applicable, an additional bottle charge for local boards of one cent (1¢) on each bottle containing 50 milliliters or less and five cents (5¢) on each bottle containing more than 50 milliliters. Enter the result

(round to the nearest whole number).

c. \$20 on each four liters of Spirituous Liquor/Antique Spirituous Liquor sold to a mixed beverage permittee for resale in mixed beverages and to a guest room cabinet permittee for resale - If the spirituous liquor is sold to a mixed beverage permittee for resale in mixed beverages or sold to a guest room cabinet permittee for resale, enter a charge of twenty dollars (\$20.00) on each four liters and a proportional sum on lesser quantities. Enter the result (round to the nearest whole number).

d. Bailment Surcharge - The charge imposed on each case of liquor shipped from a ABC Commission warehouse as provided in G.S. 18B-208. This bailment surcharge is in addition to the bailment charge imposed by G.S. 18B-804(b)(2). Enter the result (round to the nearest whole number).

Line 3 - Net Sales of Spirituous Liquor/Antique Spirituous Liquor Including the 30% State Excise Tax and the 3 1/2% add-on for Local Boards

Line 1 minus Lines 2a through 2d. Enter the result (round to the nearest whole number).

Line 4 - Taxable Sales of Spirituous Liquor/Antique Spirituous Liquor Excluding the 30% State Excise Tax and the 3 1/2% add-on for Local Boards

Distilleries - Line 3 divided by 130.0%; All others - Line 3 divided by 133.5%. Enter the result (round to the nearest whole number).

Line 5 - State Excise Tax Due

Multiply Line 4 by 30%. Enter the result (round to the nearest whole number).

Line 6 - State's Share of Mixed Beverages Surcharge (Applies to ABC Boards Only)

Multiply Line 2c by 50%. Enter the result (round to the nearest whole number).

Line 7 - Tax Due

Add Lines 5 and 6. Enter the result (round to the nearest whole number).

Line 8 - 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 7 by the applicable rate above. Enter the result (round to the nearest whole number).

Line 9 - 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 7 by the applicable rate. Enter the result (round to the nearest whole number).

Line 10 - Total Payment Due

Add Lines 7 through 9. 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 10 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.**

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