NCDOR
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12-18

B-C-786 Instructions
Wine Shipper Permittee Annual Excise Tax Return Instructions

General Instructions

The Form B-C-786, Wine Shipper Permittee Annual Excise Tax Return is required to be filed each year by resident and nonresident wineries holding the following permit type issued by the North Carolina Alcoholic Beverage Control (ABC) Commission:

- Wine Shipper (N.C.G.S. 18B-1001.1)

North Carolina Gen. Stat. 105-113.83A requires the holder of the permit listed above to register with the North Carolina Department of Revenue and to file and pay excise tax. North Carolina Gen. Stat. 105-113.83 levies the excise tax on the sale of unfortified and/or fortified wine sold and shipped directly to consumers for personal use in this State pursuant to N.C.G.S. 18B-1001.1 and is payable by the wine shipper permittee.

Note: If you are a wine shipper permittee that also holds a nonresident wine vendor permit, in addition to this annual return, you must also file Form B-C-788, Nonresident Wine Vendor Monthly Report on Transactions to N.C. Wine Wholesalers, Importers, or Bottlers, each month.

Complete all information at the top of Form B-C-786 including Return for Calendar Year, 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 end of the calendar year in which the unfortified and/or fortified wine 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.**

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 Shipper Permittee Annual Excise Tax Return, you must complete Form B-C-786, Wine Shipper Permittee Annual 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 - Liters Sold to North Carolina Customers Pursuant to Wine Shipper Permit

Enter the total number of liters of unfortified and/or fortified wine sold to North Carolina customers pursuant to wine shipper permit from Part 2.

Line 2 - Not applicable

Line 3 - Not applicable

Line 4 - Not Applicable

Line 5 - Total Taxable Liters

Line 1 from above for the total number of liters of unfortified and/or fortified wine. 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 - Not Applicable

Line 9 - Net Tax Due

Line 7 from above for the total excise tax due for unfortified and/or fortified wine. 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. Liters Sold to North Carolina Customers Pursuant to Wine Shipper Permit

Complete all information including Invoice Date, Invoice Number, Names and Addresses of NC Customers, 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 2 of the form and attach a separate document labeled, "Part 2. Liters Sold to North Carolina Customers Pursuant to Wine Shipper Permit". 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 1 of the B-C-786 return.

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