

Alcoholic Beverage Industry Engagement

Alcohol eFile Application Training for Distilleries

June 7, 2023 – 12:00pm



COMPTROLLER *of* MARYLAND

BROOKE E. LIERMAN

Agenda

1. Welcome – Robert Scheerer
2. Introduction of Training tools
 - New Alcoholic Beverage Terminology
 - Industry Concerns Addressed
 - Reviewing Form Instructions Ongoing
 - FAQ Expanded from Industry Engagement
 - Video Tutorials for Alcohol eFile
3. Video Tutorial for Alcohol eFile for Distilled Spirits
3. Q & A Session - Open and Pre-submitted
4. Wrap Up

Alcohol Improvement Plan

Issues Addressed

- Payment restricted
- Business partner address restriction
- User functionality
- Contact info on eFile webpage
- Contact info on Business Taxes
- Alcohol Tax Information tab
- Confusion on which forms are needed to file

REVENUE ADMINISTRATION DIVISION
PRESENTS:

ALCOHOL EFILE

Distillery Virtual Training
June 2023

Video Tutorial for filing Distillery
form 034 tax return and
form 034-1 schedules with
Alcohol eFile Application at
www.Marylandtaxes.gov

Alcohol Industry Questions:

Q: Where do I find the license numbers I must enter when using bFile (my searches on the database never locate any restaurant or store license numbers)?

A: The entities listed, restaurants and stores are considered retailers and have county-issued licenses. The alcohol tax forms refer to state-issued licenses and permits where requested. Manufacturer licensees are authorized to distribute to licensed wholesalers and to receive from licensed or permitted consignors/suppliers.

Alcohol Industry Questions:

Q: Which schedule should I use for MoCo ABS sales?

A: When delivering to the Montgomery County ABS warehouse, dispositions are entered on the schedule F for Maryland wholesalers.

Alcohol Industry Questions:

Q: We sell at farmers markets. Is a peddler's license also required in addition to our off-site permit?

A: The off-site permit issued by the ATCC allows you to conduct certain licensed activities away from your licensed location. The trader's licenses are issued by the Clerk of the Circuit Court in each county. There may be county-specific requirements that you will need to comply with. Please refer to the issuing authority to verify requirements for the location in question.

Alcohol Industry Questions:

Q: Is there a way to avoid looking up the extra four digits of zip codes when entering each sale into bFile?

A: We are working to simplify this process and will post an update to the application soon.

Alcohol Industry Questions:

Q: I have received the invoices for additional alcohol tax payments. Why would I receive these invoices?

A: There are various reasons that a notice or invoice may be sent. There could be a calculation error on the submitted return, a late payment receipt that triggers penalty and interest, or incorrect form information. For specific account billing or noticing questions, please contact us at:

Taxpayer Services (Business option)

TAXHELP@marylandtaxes.gov

410-260-7980 from Central Maryland

or toll-free 1-800-638-2937

Alcohol Industry Questions:

Q: Annual Off-Site Permits are not being issued due to tax liabilities. This is the first time some members have heard that there were tax liabilities.

A: We are working on improving our noticing functionality to create timely and accurate billing statements.

Alcohol Industry Questions:

Q: There is no quarterly payment option for paying excise taxes online. How do I apply the payment?

A: When making an online payment, select the last month of the reporting period.

Alcohol Industry Questions:

Q: What does 'invoice' mean with regard to reporting your production, losses, etc.?

A: On the Maryland Alcohol Tax Return/Report forms, an invoice number is to uniquely identify a transaction in your records. Any combination of numeric, alpha, or special characters is accepted.

Alcohol Industry Questions:

Q: I need to reset my password. Where is the reset link?

A: To reset your password, access the password reset link on the Alcohol eFile log-in page.

Alcohol Industry Questions:

Q: Maryland Distiller's Guild should be listed as an Industry-Related Group under Associations and Groups.

A: The Maryland Distiller's Guild has been submitted to our website team for inclusion in the Alcohol Tax Associations and Groups section.

Alcohol Industry Questions:

Q: I get neutral grain spirit delivered from out of state. What permit/license # do you use for transfers from out of state?

A: Out of State consignors/suppliers must have a Non-resident Dealers Permit. The ND Permit authorizes out-of-state dealers to sell and deliver alcoholic beverages ONLY to persons in Maryland who are authorized under Maryland law to receive them.

Alcohol Industry Questions:

Q: What does the state mean by 'Bottled from Rectification' vs. 'Bottled Without Rectification?'

A: Maryland Alcohol Tax forms use the term "rectification" to reference the process whereby distilled spirits are cut, blended, mixed, or infused with any ingredient in the production process prior to packaging.

Alcohol Industry Questions:

Q: How does the state want us to calculate volume for products above 100 proof in the Finished Products section of our filing?

A: Finished Products are reported in standard U.S. gallons. In accordance with Tax General article 5-105(a) (2), if distilled spirits contain a percentage of alcohol greater than 100 proof, an additional tax [is due] for each 1 proof over 100 proof, of 1.5 cents for each gallon or 0.3963 cents for each liter. For example, $.75(\text{ml}) \times 12(\text{btl}) \times .264 = 2.376$ standard U.S. gallons for products at or below 100 proof, if above 100 proof, it is considered overproof and subject to the additional tax. For example, 12/750ml of 105 proof product, multiply $2.378 \times 1.05 = 2.496$ overproof gallons.

Alcohol Industry Questions:

Q: Is there a guide that shows how entries from the federal forms translate to the state forms? What if my MD forms would be unbalanced and not match my TTB forms?

A: There is a correlation but not necessarily a match. The Alcohol Tax forms are not intended to exactly match the TTB forms. The state forms capture the activity that occurred for the period. The return balances between the opening on-hand inventory plus any acquisitions and the end of month inventory plus any dispositions.

Alcohol Industry Questions:

Q: When reporting samples, there is no option in the drop-down menu for samples that are given or sold to customers.

A: Samples can indicate a wide range of transactions today. A good rule of thumb is to report all samples served in the Tasting Room, at Festivals and/or Special Permit Events on your G7 schedule. Use the form 034-10 to report samples that fit the reasons and purposes listed on the 034-10 form.

Alcohol Industry Questions:

Q: How should samples that go to customers in the form of cocktails get classified?

A: Tasting room samples should be included on the G7 schedule.

Alcohol Industry Questions:

Q: There are four categories to choose from to account for samples. Which is to the proper one to use for samples used in a tasting room?

A: Tasting room samples should be included on the G7 schedule.

Thank you for joining!

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