



2021  
CIDER CON<sup>®</sup>

# TTB Records, Reports, and Returns

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# TTB Disclaimer

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- This information is being presented to help the public to understand and comply with the laws and regulations that the Alcohol and Tobacco Tax and Trade Bureau administers.
- It is not intended to establish any new, or change any existing, definitions, interpretations, standards, or procedures regarding those laws and regulations.
- In addition, this presentation may be made obsolete by changes in laws and regulations. Please consult the regulations for the most current regulatory requirements.
- Sample documents (such as records, returns, and labels) are for illustrative purposes only and contain fictitious data.



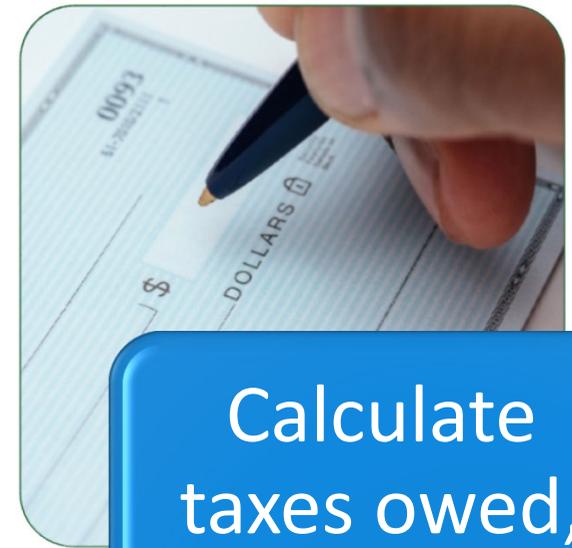
# Agenda: You'll learn how to determine how much tax you owe and how to pay it



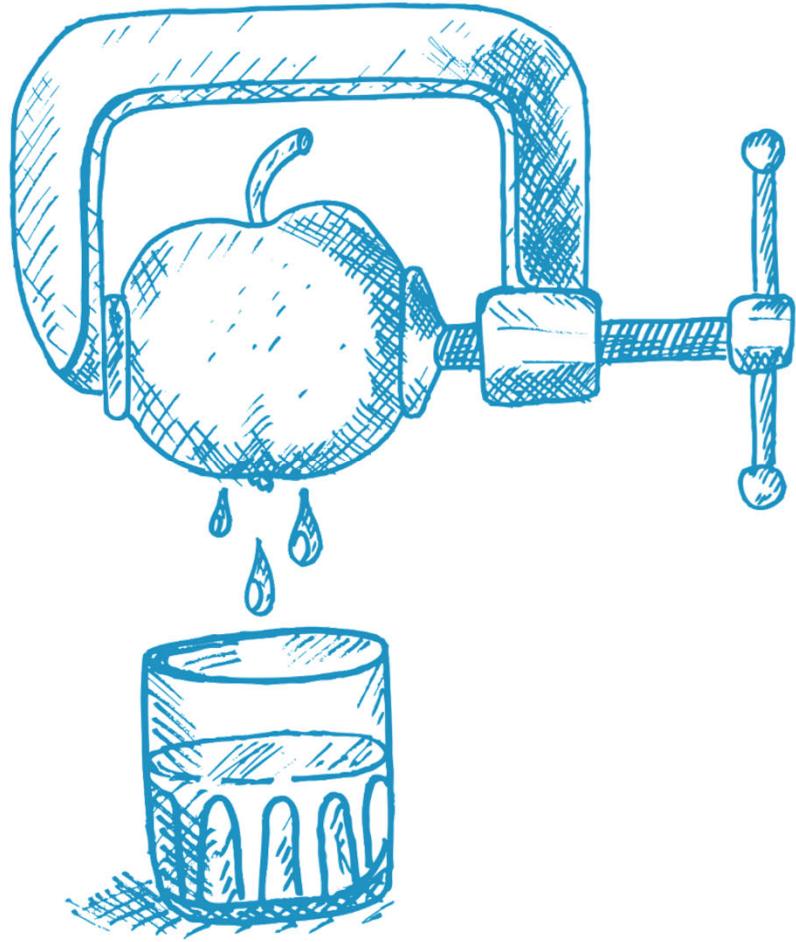
Keep Records  
of what you  
produce

A form titled "REPORT OF WINE PREMISES OPERATIONS" from the Department of the Treasury. The form includes fields for "OPERATED BY (Name, Address, and Telephone)", "EIN", and "INSTRUCTIONS".

Summarize  
your records  
on the  
operational  
report



Calculate  
taxes owed,  
file return,  
and send  
payment



Recordkeeping



# Recap - Two Federal Laws

## Internal Revenue Code

- Qualification of cider/wine premises
- Payment of taxes

## Federal Alcohol Administration Act

- Basic Permits for qualified applicants
- Labeling and advertising
- Fair trade practices



# Internal Revenue Code (IRC)

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## **Applies to all cider and perry products**

- Revenue protection
- Premises
- Production

27 CFR part 24 (domestic wine premises) and part 27 (imports)



# Federal Alcohol Administration Act (FAA Act)

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**Applies only to wine (including cider or perry products) with 7% or more alcohol by volume**

- Basic Permits - 27 CFR part 1
- Labeling and Advertising - 27 CFR part 4



# Alcoholic Beverage Labeling Act (ABLA)

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**Applies to any cider or perry products 0.5% alcohol by volume or more**

- Health Warning Statement – 27 CFR part 16



# Cider is WINE Under the IRC

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**Under the IRC, TTB regulates wines that contain 0.5% to 24% alcohol by volume**

- Producers are assigned a REGISTRY number
- Alcohol beverage producers are exempt from BOND requirements if they:
  - reasonably expect to be liable for not more than \$50,000 in taxes imposed on distilled spirits, wine, and beer for the calendar year
  - were liable for not more than \$50,000 in such taxes in the preceding calendar year



# Bonded Wine/Cidery Premises

## Allowable Operations

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- Receive, produce, blend, treat, store, and bottle untaxpaid wine/cider
- Use wine/cider spirits in wine production
- Receive, use, and remove materials for production and treatment of cider
- Prepare, store, and remove commercial fruit products and by-products



# Basic Records - IRC

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- Records must be generated for most every cidery operation
- Records support tax payment
- Records support label claims
- Records flow to the TTB report filed by every plant
- 27 CFR part 24 - Subpart O - Records and Reports
- Most pitfalls can be avoided with good records
- May be a compilation of source documents or a summary



# Recordkeeping

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## Records document what it is, and what you did with it

- Materials received and used e.g., apples, pears, treatment materials
- Acid and chemical records
- Cider/perry produced
- Cider/perry received or transferred in bond
- Cider/perry bottled/kegged, or removed



# Records - General

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- Record operations as they occur
- Get and retain source documents
- Accurately identify alcohol content, quantities
- Keep the “pedigree” of the product clear
- Retain for 3 years from last required entry
- All records are subject to inspection by TTB



# TTB's GOAL

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**By examining your records, TTB should be able to verify if:**

- Cider or perry product is properly labeled
- All label claims are fully supported
- Only authorized materials were used
- Advertising, POS materials are appropriate
- Formula wines were made in compliance with an approved formula



# Receipt of Materials

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## **Materials Received and Used: 27 CFR 24.315**

- **Acid record: 27 CFR 24.318**
- **Sugar record: 27 CFR 24.317**
- **Chemical record: 27 CFR 24.320**
- **Spirits record: 27 CFR 24.316**



# Other Records May Be Necessary

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- **Effervescent wine record: 27 CFR 24.302**
  - **Formula wine record: 27 CFR 24.303**
  - **Cider or perry products returned to bond: 27 CFR 24.312**
- ...and others – see 27 CFR 24.301-.323



# Bulk Still Wine and Still Hard Cider Record

## 27 CFR 24.301

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- Volume produced and method used
- Volume received and removed
- Volume used for tax class blends
- Keep these records by tax class



# Bottled/Packed Record

## 27 CFR 24.308

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- Volume and size of container filled or received
- Tax class (in sufficient detail to claim tax credit)
- Kind of wine
- Results of fill and alcohol tests



# Fill and Alcohol Tests

## 27 CFR 24.255(d) and (e)

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- Alcohol test taken before bottling
  - Should agree with alcohol content statement on label
- Fill samples taken at representative intervals
  - Should agree with the net contents statement on the label or bottle



# Sample Batch Record

Black and Gold Perfection		Batch # 2015-12		
Date	Activity	Tank	Volume	Notes
9/11/2015	Pressed 1800# Kingston Black, juice to tank	12	Approx. 1000 gallons	Brix 23.5, TA .6, <u>ph 2.1</u>
9/12/2015	Pressed 1000 # Golden russet, juice to tank	13	Approx. 500 gallons	Brix 26.2, TA .6, <u>ph 2.1</u>
9/12/15	Rack off <u>tk 12</u> and 13 to <u>tnk 9</u> , inoculate	9	<u>Approx 1100</u> gallons	
9/30/2015	Add 8# bentonite	9	Approx. 1100 gallons	
10/2/2015	Rack & Filter, declare produced, add 20 ppm so2	15	982 gallons	5.02 <u>alc</u> , TA .45
10/10/15	Rack to <u>Tnk 21</u> , Add 20 gallons raspberry Concentrate, blend	21	1002 gallons	<u>Happyberry # 6</u> flavor, formula 15-6 5.6 <u>alc</u>
11/25/15	Bottle 419 12/750 cases, 996.1 gallons	21		3.9 gallon loss COLA 14-28, <u>Alc 5.1</u> Fill 750, 751, 749, 749



# Sample Bottling Record

BOTTLING LOG <u>5/21/14</u>		
Product:	<u>Raspberry –Apple Ciderator</u>	
Packaging:	<u>12/750 XX</u>	<u>24/375__</u>
COLA:	<u>13-6</u>	
Tank:	<u>BT 3__</u>	
Start:	<u>2990g</u>	End: <u>0g</u> Used: <u>2990g</u>
Cased Bottled:	<u>1252, 6 bottles</u>	
Gallons:	<u>2977.8</u>	
Bott Loss/Gain:	<u>Loss 23.2 g</u>	
Fill:	8 am <u>751</u>	ALC: 6.8
	11 am <u>749</u>	
	1 pm <u>750</u>	



# Removals from Bonded Premises

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## **Untaxpaid removals (subject to regulations)**

- Tasting on bonded premises
- Analytical testing/TTB samples
- Family use for some cidery proprietors (200 gallon limit)
- Destruction, breakage
- Export out of U.S.



# Transfer in Bond Record

## 27 CFR 24.309

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- Bulk or bottled
- Supporting documents must contain information bottler may want to use (to maintain records and support any label claims)
- Transfer of unlabeled bottled cider (“Shiners”) - See [FAQ #W8](#) on TTB.gov



# Sample Transfer in Bond Record

## SHIPPING MEMORANDUM

January 10, 2018

**From: Martha Orchards**

**TO: Cold Kiss Storage**

**221 Main Street**

**1850 Pear Ave**

**Spar, Montana 97223**

**Pruner, MT 66552**

**BW-MT-12345**

**BWC-MT-88779**

## TRANSFER IN BOND

**10 cases, 12/750 ml Magnificent Martha Hard Cider, 3 % alc. by vol.**

**5 cases, 12/750 ml, Sparkly Lemon Frost, sparkling apple cider**

**2 cases, 24/375 ml, Apple-Raspberry Cider, 8 % alc. by vol.**

**Total**

**Hard Cider 23.7753 gallons**

**Sparkling Cider 11.88765 gallons**

**16% and under 4.75505 gallons**



# Removals from the Bonded Premises

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## Taxable Removals

- All cider or perry products removed from the bonded premises for consumption or sale
- Includes tastings away from the bonded premises, whether on-site or in remote locations



# Taxpaid Removals

27 CFR 24.310

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- An INVOICE is an acceptable record
- Removals must be summarized daily, by tax class, to the nearest tenth of a gallon in order to be properly tax-determined
- Include name and address, volume, kind, alcohol content
- Taxes are paid annually, quarterly or twice-monthly



# Sample Removal Record

Apple of My Eye Cider  
 221 Red Delicious way  
 Grace, ID 99771  
 BWN-ID-34122

January 4, 2018

INVOICE # 1060

Rather B. Pressing  
 8220 Orchard Ave  
 Toppenish WA 77882

Item Description	Quantity	Price Per	Total
Yummy Apple Hard Cider, 7 % ABV	3 cases 12/750 ml	\$40	120
Amazing Apple Sparkling Apple Cider, 11% ABV	1 case 12/750 ml	\$ 50	50
Tasty Apple-Cinnamon Cider, 9% ABV	2 cases 12/750 ml	\$ 45	90
		TOTAL	\$ 360
Hard cider 7.13259 <u>wg</u>			
Sparkling 2.37753 <u>wg</u>			
Not over 16 % 4.75506 <u>wg</u>			



# Label Information Record

27 CFR 24.314

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- Must give sufficient information for verification by TTB audit
- Maintain records with the preservation of an audit trail in mind
  - Receipt records
  - Crush records
  - Fermentation records
  - Storage records



# Inventory Record

## 27 CFR 24.313

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- You must complete at least one physical inventory annually
- If other than the period ending June 30, you must notify the NRC
- Report results on TTB Form 5120.17 Temp only when a complete inventory is taken for the period reported
- Unexplained bottled shortages must be taxpaid



# Inventory Record Details

## 27 CFR 24.313

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### **This record must include:**

- Description of cider/perry product
- Volume of bulk and bottled cider, totaled separately by tax class
- All pages of inventory record must be consecutively numbered
- Last page must be dated and signed by person with signature authority, under penalties of perjury



# Recordkeeping Matters

## 27 CFR 24.300

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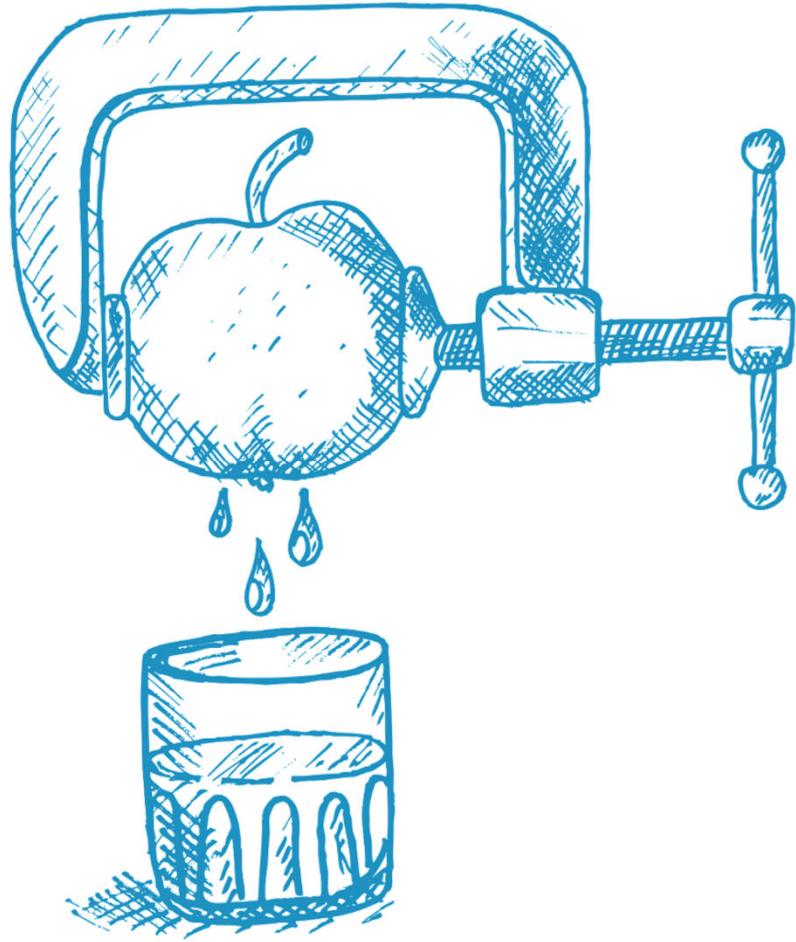
- Keep by tax class
- Keep in liters or gallons
- Retain for 3 years from last entry
- Computerized Records are OK



# Minimum Requirements for Computer Records

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- The software application must capture and retain all required information
- If source records are maintained at the premises, other “computerized records” may be elsewhere (on servers, etc.)
- Any data stored on media or in the cloud must be retrievable within five (5) business days



# Operational Report



# Report of Wine Premises Operations

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For now, use the temporary version of the form to report winery activity ([TTB F 5120.17sm Temp](#))

- Use your records to determine entries on the report
- Report in GALLONS only
- Filing may be monthly, quarterly, or annually
- Filing is in addition to any state or local reporting
- File electronically (preferable) or mail paper forms
- Monthly and quarterly filers - if you anticipate you will have no reportable operations in the upcoming reporting period(s), state that in the remarks section of the last report you file and then resume filing later



# How Often Must You File Reports?

## File ANNUALLY if you:

1. Will have no more than 20,000 gallons on hand in any one month,  
AND
  2. Will file an annual tax return
- ✓ Note your intent in the “remarks” section of the report or via letter notice
  - ✓ Due the following January 15

## File QUARTERLY if you:

1. Will have no more than 60,000 gallons on hand in any one quarter,  
AND
  2. Will file a quarterly tax returns
- ✓ Note your intent in the “remarks” section of the report or via letter notice
  - ✓ Due 15 days after the end of the quarter

27 CFR 24.300(g)(2)



# How Often Must You File Reports?

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- Those not eligible to file the report annually or quarterly must file it monthly
- Due 15 days after the end of the month



# Completion of the Report

DEPARTMENT OF THE TREASURY ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (TTB) <b>REPORT OF WINE PREMISES OPERATIONS</b>			
<b>PERIOD COVERED</b> (Year Only, or Year & Month, or Year & Quarter) YEAR <input type="text" value="2020"/> MONTH <input type="text"/>		<b>OPERATED BY</b> (Name, Address, and Telephone) Our Business 123 Main Street Washington, DC 00000	
<b>QUARTERLY:</b> <input checked="" type="checkbox"/> January to March <input type="checkbox"/> July to September <input type="checkbox"/> April to June <input type="checkbox"/> October to December			
<b>VERSION</b> (Select Original or Amended. Select Final if this is the last report for the business) <input checked="" type="checkbox"/> Original <input type="checkbox"/> Amended   <input type="checkbox"/> Final Report		<b>EIN</b> 12-3456789	<b>REGISTRY NUMBER</b> BW-DC-0000



# Part IV – Materials Received and Used

Cider and perry product records both start here

PART IV - SUMMARY OF MATERIALS RECEIVED AND USED									
ITEM	GRAPE MATERIAL				KINDS OF MATERIALS OTHER THAN GRAPE* (Pounds or Gallons)			SUGAR	
	GRAPES		JUICE (Gallons) (c)	CONCENTRATE (Gallons) (d)	 (e)	 (f)	(g)	DRY (Pounds) (h)	LIQUID (Gallons) (i)
	UNCRUSHED (Pounds) (a)	FIELD CRUSHED (Gallons) (b)							
1. ON HAND BEGINNING OF PERIOD									
2. RECEIVED									
3. JUICE OR CONCENTRATE PRODUCED									
4. <b>TOTAL</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5. USED IN WINE PRODUCTION									
6. USED IN JUICE OR CONCENTRATE PRODUCTION									
7. USED IN ALLIED PRODUCTS									
8. REMOVED									
9. ON HAND END OF PERIOD									
10. <b>TOTAL</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Record in pounds or gallons. Enter the amount of winemaking material still fermenting at the of the period in line 5 or the amount of wine “produced” (removed from FIRST fermenter or completion of first fermentation) in Part 1 Section A Line 2



# Part I, Section A - Bulk Wine Additions

## PART I - SUMMARY OF WINES IN BOND (GALLONS)

### ALCOHOL CONTENT BY VOLUME

ITEM	ALCOHOL CONTENT BY VOLUME			ARTIFICIALLY CARBONATED WINE (d)	SPARKLING WINE (e)	HARD CIDER <sup>1/</sup> (f)
	NOT OVER 16 PERCENT (a)	OVER 16 TO 21 PERCENT (Inclusive) (b)	OVER 21 TO 24 PERCENT (Inclusive) (c)			
<b>SECTION A - BULK WINES</b>						
1. ON HAND BEGINNING OF PERIOD						
2. PRODUCED BY FERMENTATION <sup>2/</sup>					BF BP	
3. PRODUCED BY SWEETENING						
4. PRODUCED BY ADDITION OF WINE SPIRITS						
5. PRODUCED BY BLENDING						
6. PRODUCED BY AMELIORATION						
7. RECEIVED IN BOND						
8. BOTTLED WINE DUMPED TO BULK						
9. INVENTORY GAINS						
10. <input type="text"/>						
11. <input type="text"/>						
12. TOTAL	0.00	0.00	0.00	0.00	0.00	0.00

Use "On Hand End of Period" from previous report

Additions to the bulk inventory



# Part I, Section A - Bulk Wine Removals

13. BOTTLED <sup>3/</sup>						BE	
14. REMOVED TAXPAID						BP	
15. TRANSFERS IN BOND							
16. REMOVED FOR DISTILLING MATERIAL							
17. REMOVED TO VINEGAR PLANT							
18. USED FOR SWEETENING							
19. USED FOR ADDITION OF WINE SPIRITS							
20. USED FOR BLENDING <sup>5/</sup>							
21. USED FOR AMELIORATION							
22. USED FOR EFFERVESCENT WINE							
23. USED FOR TESTING							
24. <input type="text"/>							
25. <input type="text"/>							
26. <input type="text"/>							
27. <input type="text"/>							
28. <input type="text"/>							
29. LOSSES (OTHER THAN INVENTORY)							
30. INVENTORY LOSSES							
31. ON HAND END OF PERIOD							
32. TOTAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Removals from the bulk inventory

This will be the "On Hand Beginning of Period" on the next report



# Part I, Section B - Bottled Wine Additions and Removals

SECTION B - BOTTLED WINES							
1. ON HAND BEGINNING OF PERIOD							
2. BOTTLED <sup>3/</sup>						BF	
						BP	
3. RECEIVED IN BOND							
4. TAXPAID WINE RETURNED TO BOND							
5. <input type="text"/>							
6. <input type="text"/>							
7. TOTAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8. REMOVED TAXPAID							
9. TRANSFERRED IN BOND							
10. DUMPED TO BULK							
11. USED FOR TASTING							
12. REMOVED FOR EXPORT							
13. REMOVED FOR FAMILY USE							
14. USED FOR TESTING							
15. <input type="text"/>							
16. <input type="text"/>							
17. <input type="text"/>							
18. BREAKAGE							
19. INVENTORY SHORTAGE <sup>4/</sup>							
20. ON HAND END OF PERIOD							
21. TOTAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Use "On Hand End of Period" from previous report

Additions to the bottled inventory

Removals from the bottled inventory

This will be the "On Hand Beginning of Period" on the next report



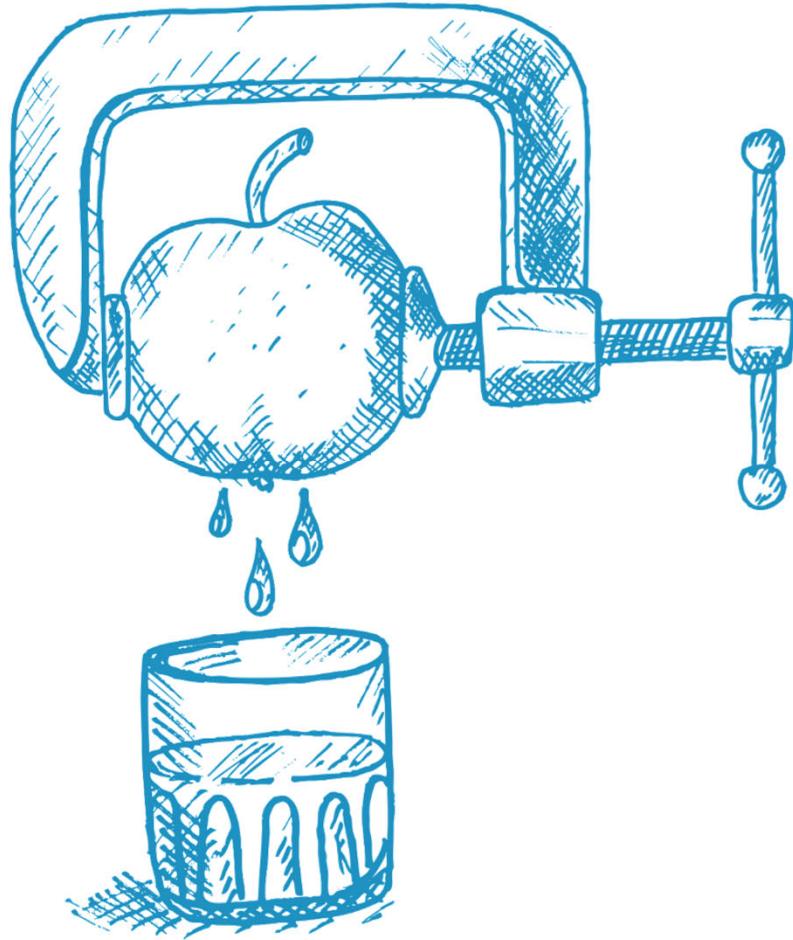
# Part X – Remarks and Signature

## PART X - REMARKS

Large empty light blue rectangular area for entering remarks.

Under penalties of perjury, I declare that I have examined this report, including the documents submitted in support thereof, and to the best of my knowledge and belief, it is true, correct, and complete.

PROPRIETOR	BY ( <i>Signature and Title</i> )	DATE
Enter the name of your business as shown on your permit	Person must have signing authority/POA on file with TTB	



# Taxes and Returns

RONDA MERRELL

TECHNICAL ADVISOR

OFFICE OF PERMITTING AND TAXATION



# Taxable Removals

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- Federal tax **attaches** when cider is produced
- Tax is **determined** when cider is removed from bonded premises for consumption or sale
- Tax is **paid** at a later date (deferred)
- Tax **rate** is based on alcohol content, materials used, and/or production method



# Excise Tax Return

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File [TTB Form 5000.24sm](#) for federal excise taxes due on wine removed subject to tax – or better yet, use Pay.gov!

- Record dollars only
- Filing may be monthly, quarterly, or annually
- Filing is in addition to any state or local taxes due



# Annual and Quarterly Tax Returns

## You may file and pay **ANNUALLY** if:

1. You expect to owe not more than \$1,000 in the current year, AND
  2. Your taxes totaled not more than \$1,000 last year
- If you exceed the annual return limits, the following year you must pay taxes quarterly or semi-monthly

## You may file and pay **QUARTERLY** if:

1. You expect to owe not more than \$50,000 in the current year, AND
  2. Your taxes totaled not more than \$50,000 last year
- If you exceed the quarterly return limits you must start paying taxes semi-monthly beginning the next month, and you are not eligible to file quarterly the next year

27 CFR 24.271



# Semi-Monthly Tax Returns

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**Those not eligible to file quarterly or annually must file the return and pay taxes 2 times per month**



# Excise Tax Due Dates

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## Semi-monthly Return

- 14 days after close of tax period

***You don't have to file a return if no taxes are due!***

## Quarterly Return

- 14 days after close of quarter

## Annual Return

- 14 days after close of year

If the due date falls on a weekend or legal holiday, returns and payments are due the last business date **preceding** the weekend or holiday



# Excise Tax Return Periods

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## **Semi-monthly**

- 1<sup>st</sup> to 15<sup>th</sup> of the month
- 16<sup>th</sup> to end of the month
- September has three tax periods

## **Quarterly**

- Tax period = 3 calendar months

## **Annual**

- Tax period = 1 calendar year

27 CFR 24.271



# Automated Reminders for Filing Tax Returns and Reports

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Stay current with due dates by subscribing to receive automated email reminders when it is time to file your tax returns and operational reports!

Visit <https://www.ttb.gov/news/automated-reminders-for-filing> to sign up for email reminders



# CBMA Wine Tax Credits Made Permanent

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- Starting in 2018, domestic wineries and importers could take advantage of temporary wine tax credits under the Craft Beverage Modernization Act (CBMA) provisions of the Internal Revenue Code if eligibility requirements were met
- These tax credits were made permanent at the end of 2020
- Also made permanent:
  - Adjusted alcohol content for certain still wine tax classes from 14% to 16% alcohol by volume
  - Ability to transfer CBMA tax credits to other wineries or bonded wine cellars



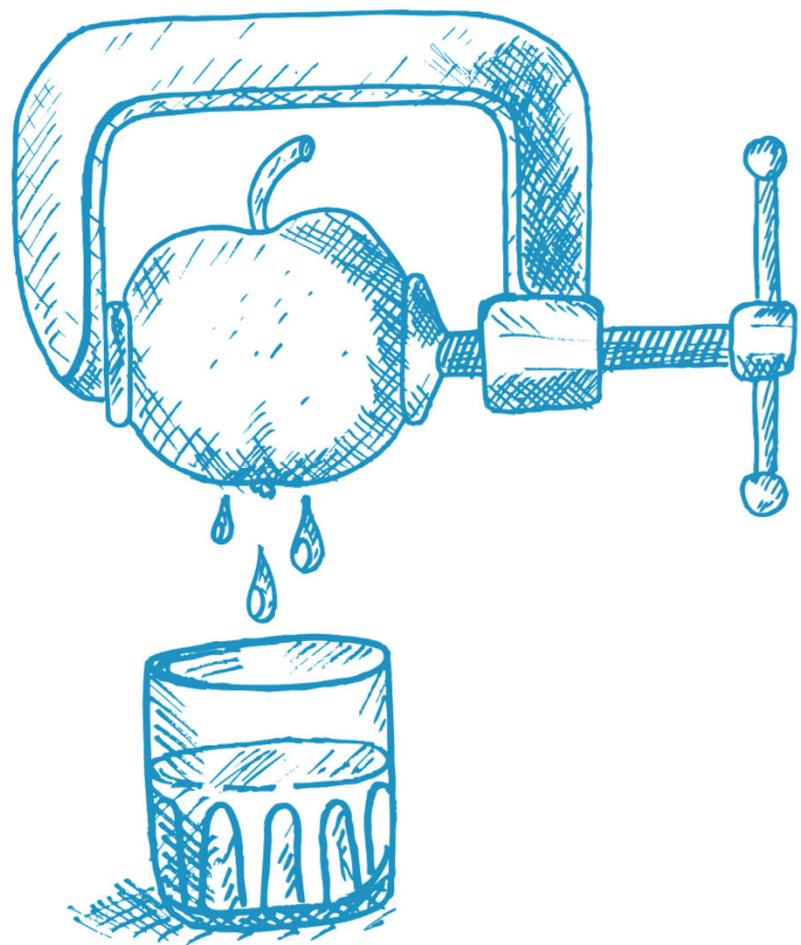
# Tax on Wine Removed 2018 - Present

Tax Class	Wines Gallons Per Calendar Year			
	First 30,000	Over 30,000 up to 130,000	Over 130,000 up to 750,000	Over 750,000
<b>Still Wine</b>				
16% and under alcohol by volume (0.392g CO <sub>2</sub> /100mL or less)	\$0.07	\$0.17	\$0.535	\$1.07
Over 16 - 21% alcohol by volume (0.392g CO <sub>2</sub> /100mL or less)	\$0.57	\$0.67	\$1.035	\$1.57
Over 21 - 24% alcohol by volume (0.392g CO <sub>2</sub> /100mL or less)	\$2.15	\$2.25	\$2.615	\$3.15
<b>Mead</b> No more than 0.64g CO <sub>2</sub> /100mL; derived solely from honey and water; containing no fruit product or fruit flavoring; and containing less than (not equal to) 8.5% alcohol by volume	\$0.07	\$0.17	\$0.535	\$1.07
<b>Low alcohol by volume wine</b> No more than 0.64g CO <sub>2</sub> /100mL; derived primarily from grapes or from grape juice concentrate and water; containing no fruit product or fruit flavoring other than grape; and containing less than (not equal to) 8.5% alcohol by volume	\$0.07	\$0.17	\$0.535	\$1.07



# Tax on Wine Removed 2018 - Present

Tax Class	Wines Gallons Per Calendar Year			
	First 30,000	Over 30,000 up to 130,000	Over 130,000 up to 750,000	Over 750,000
<b>Artificially Carbonated Wine</b>				
Over 0.392g CO <sub>2</sub> /100mL - injected or otherwise added	\$2.30	\$2.40	\$2.765	\$3.30
<b>Sparkling Wine</b>				
Over 0.392g CO <sub>2</sub> /100mL - naturally occurring	\$2.40	\$2.50	\$2.865	\$3.40
<b>Hard Cider</b>				
No more than 0.64g CO <sub>2</sub> /100mL; derived primarily from apples/pears or apple/pear juice concentrate and water; containing no other fruit product or fruit flavoring other than apple/pear; and containing at least 0.5% and less than (not equal to) 8.5% alcohol by volume	\$0.164	\$0.17	\$0.193	\$0.226



# How to Complete the Tax Return

TTB Form 5000.24



# Completion of the Return

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- Paper or electronic
- Serially numbered
- Filed semi-monthly, quarterly, annually
- Signer must have signature authority or POA on file with TTB



# TTB Smart Form: Excise Tax Return

**DEPARTMENT OF THE TREASURY**  
**ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (TTB)**  
**EXCISE TAX RETURN**  
*(Prepare in duplicate – See instructions below)*

1. SERIAL NUMBER

2. FORM OF PAYMENT  
 CHECK  MONEY ORDER  EFT  OTHER (Specify) \_\_\_\_\_

3. AMOUNT OF PAYMENT  
\$ \_\_\_\_\_

4. RETURN COVERS (Check one)  
 PREPAYMENT  PERIOD  
BEGINNING \_\_\_\_\_  
ENDING \_\_\_\_\_

5. DATE PRODUCTS TO BE REMOVED (For Prepayment Returns Only)

6. EMPLOYER IDENTIFICATION NUMBER

7. PLANT, REGISTRY, OR PERMIT NUMBER

8. NAME AND ADDRESS OF TAXPAYER (Include ZIP Code)

**FOR TTB USE ONLY**

TAX	\$
PENALTY	
INTEREST	
TOTAL	\$
EXAMINED BY:	
DATE EXAMINED:	

Serial Number

Employer ID Number (EIN)

Registry or Permit Number



# TTB Smart Form: Excise Tax Return

CALCULATION OF TAX DUE <i>(Before making entries on lines 18 – 21, complete Schedules A and B)</i>	
PRODUCT (a)	AMOUNT OF TAX (b)
9. DISTILLED SPIRITS	\$
10. WINE	
11. BEER	
12. CIGARS	
13. CIGARETTES	
14. CIGARETTE PAPERS AND/OR CIGARETTE TUBES	
15. CHEWING TOBACCO AND/OR SNUFF	
16. PIPE TOBACCO AND/OR ROLL-YOUR-OWN TOBACCO	
<b>17. TOTAL TAX LIABILITY <i>(Total of lines 9-16)</i></b>	\$ 0.00
18. ADJUSTMENTS INCREASING AMOUNT DUE <i>(From line 29)</i>	0.00
<b>19. GROSS AMOUNT DUE <i>(Line 17 plus line 18)</i></b>	\$ 0.00
20. ADJUSTMENTS DECREASING AMOUNT DUE <i>(From line 34)</i>	0.00
<b>21. AMOUNT TO BE PAID WITH THIS RETURN <i>(Line 19 minus line 20)</i></b>	\$ 0.00
Under penalties of perjury, I declare that I have examined this return <i>(including any accompanying explanations, statements, schedules, and forms)</i> and to the best of my knowledge and belief it is true, correct, and includes all transactions and tax liabilities required by law or regulations to be reported.	
22. DATE	23. SIGNATURE
	24. TITLE

Signature

Title



# Increasing/Decreasing Adjustments and Taking the Temporary Tax Credits

<b>SCHEDULE A – ADJUSTMENTS INCREASING AMOUNT DUE</b>			
EXPLANATION OF INDIVIDUAL ERRORS OR TRANSACTIONS (a)	AMOUNT OF ADJUSTMENTS		
	(b) TAX	(c) INTEREST	(d) PENALTY
25. Omitted 10 WG hard cider from Return 2019-2	\$ 1.64		\$
26.			
27.			
28. SUBTOTALS OF COLUMNS (b), (c), and (d)	\$ 1.64	\$ 0.00	\$ 0.00
29. TOTAL ADJUSTMENTS INCREASING AMOUNT DUE (Line 28, Col (b) + (c) + (d)) Enter here and on line 18.		\$	1.64
<b>SCHEDULE B – ADJUSTMENTS DECREASING AMOUNT DUE</b>			
EXPLANATION OF INDIVIDUAL ERRORS OR TRANSACTIONS (a)	AMOUNT OF ADJUSTMENTS		
	(b) TAX	(c) INTEREST	
30. Approved claim #1234, 50 WG hard cider @ \$0.164	\$ 8.20	\$	
31. 100 WG hard cider tax credit @ 6.2 cents/WG	6.20		
32.			
33. SUBTOTALS OF COLUMNS (b) and (c)	\$ 14.40	\$	0.00
34. TOTAL ADJUSTMENTS DECREASING AMOUNT DUE (Line 33, Col (b) + (c)) Enter here and on line 20.		\$	14.40



# Electronic Filing

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**Pay.gov is a federal government portal for electronic filing of:**

- Federal Excise Tax Return, TTB F 5000.24
- Report of Wine Premises Operations, TTB F 5120.17 Temp

**You must register in advance on TTB.gov!**



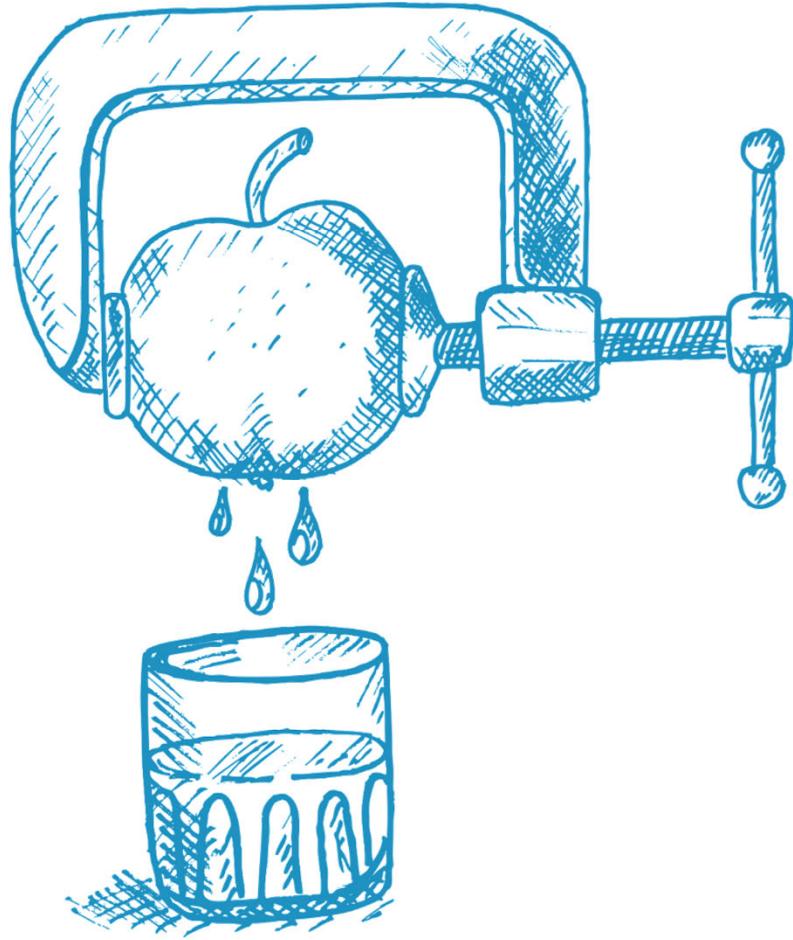


# Pay.gov

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## Why Use It?

- Free and fast submission of tax returns, tax payments and operations reports
- Quickly confirms receipt
- Automatically totals and checks data entries to promote accuracy; provides feedback on any errors
- Allows you to amend reports by copying and modifying the previously submitted report



Which Tax Rates  
to Use for  
Cider/Perry  
Products



# Not all Cider/Perry Products are Eligible for the Hard Cider Tax Rate

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**There are two categories of products labeled as Cider/Perry:**

1. Those eligible for the Hard Cider tax rate
2. Those that are taxed at another wine tax rate



# Tax on Cider

## 26 U.S.C. 5041 (b)

Cider/perry products may fall within any one of these six tax classes:

Hard Cider Tax Class	Per wine gallon*
<ul style="list-style-type: none"> <li>No more than 0.64g CO<sub>2</sub>/100mL; derived primarily from apples/pears or apple/pear juice concentrate and water; containing no other fruit product or fruit flavoring other than apple/pear, and containing at least 0.5% and less than (not equal to) 8.5% alcohol by volume</li> </ul>	<b>22.6¢</b>
Still Wine Tax Classes (0.392g CO <sub>2</sub> /100mL or less)	
<ul style="list-style-type: none"> <li>16% alcohol by volume and under</li> </ul>	<b>\$1.07</b>
<ul style="list-style-type: none"> <li>Over 16 - 21% alcohol by volume</li> </ul>	<b>\$1.57</b>
<ul style="list-style-type: none"> <li>Over 21 - 24% alcohol by volume</li> </ul>	<b>\$3.15</b>
Artificially Carbonated Wine Tax Class	<b>\$3.30</b>
Sparkling Wine Tax Class	<b>\$3.40</b>

*\*This is before any available tax credit*



# Hard Cider is the Name of a Tax Class (26 U.S.C. 5041(g))

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## **Only Products that meet the following definition are eligible for the Hard Cider tax rate:**

- Contains not more than .64 gram of CO<sub>2</sub> per 100 mL
- Derived primarily from apples/pears or apple/pear concentrate and water
- Contains no fruit product or fruit flavoring other than apple or pear
- Contains at least 0.5% and less than 8.5% alcohol by volume

Other wines labeled as cider or perry that do not fit the definition above are taxed at one of the other wine tax rates



# These Products Fall within the Hard Cider Tax Class

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- **Still hard cider** - CO<sub>2</sub> level of not more than .392 g/100 mL
- **Artificially carbonated hard cider** - CO<sub>2</sub> level of more than .392 and not more than .64 gram of CO<sub>2</sub> per 100 ml - artificially injected
- **Sparkling hard cider** - CO<sub>2</sub> level of more than .392 and not more than .64 gram of CO<sub>2</sub> per 100 mL-result of secondary fermentation in a closed container

26 U.S.C. 5041(b)(6)



# Cider/Perry Products Eligible for the Hard Cider Tax Rate

These are examples of cider/perry products that are eligible for the Hard Cider tax rate:

Wine:	Tax Rate*	Tax Class
8.4% ABV Apple Cider	22.6 cents	Hard Cider
8.4% ABV (Pear) Perry	22.6 cents	Hard Cider
6% ABV Apple-Cinnamon Cider	22.6 cents	Hard Cider
8% ABV Carbonated Apple-Pear Wine/CO <sub>2</sub> level of .62g/100 mL	22.6 cents	Hard Cider
8% ABV Sparkling Perry/CO <sub>2</sub> level of .62g/100 mL	22.6 cents	Hard Cider

*\*This is before any available tax credit*



# Cider/Perry Products Not Eligible for the Hard Cider Tax Rate

These are examples of cider/perry products are taxed as still wines or as effervescent wines:

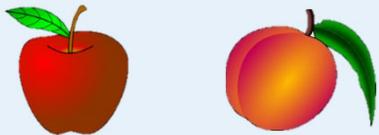
Product:	Tax Rate*	Tax Class
15% ABV Apple Cider	\$1.07	Still wine not over 16%
9% ABV Pear Perry	\$1.07	Still wine not over 16%
6% ABV Apple-Raspberry Cider	\$1.07	Still wine not over 16%
6% ABV Carbonated Apple-Pear Wine CO <sub>2</sub> level of .70g/100 mL	\$3.30	Artificially carbonated wine
6% ABV Sparkling Pearly Pear CO <sub>2</sub> level of .70g/100 mL	\$3.40	Sparkling wine

*\*This is before any available tax credit*



# Quiz: Is it Eligible for the Hard Cider Tax Rate?



Ingredients	Alcohol by Volume	CO <sub>2</sub> per 100 mL	Hard Cider Tax Rate?
	7%	0.64g	✓
	8.3%	0.43g	✗
	9%	0.60g	✗
	7%	0.80g	✗
	8.0%	0.5g	✓



# Section A – Report Headings are the Tax Classes

Be sure to report cider/perry products under the correct tax class on you operational reports

PART I - SUMMARY OF WINES IN BOND (GALLONS)					
ALCOHOL CONTENT BY VOLUME			ARTIFICIALLY CARBONATED WINE (d)	SPARKLING WINE (e)	HARD CIDER <sup>1/</sup> (f)
NOT OVER 16 PERCENT (a)	OVER 16 TO 21 PERCENT (Inclusive) (b)	OVER 21 TO 24 PERCENT (Inclusive) (c)			
↑ \$ 1.07	↑ \$ 1.57	↑ \$ 3.15	↑ \$ 3.30	↑ \$ 3.40	↑ 22.6 cents

*This is before any available tax credit*



# Summary - Report of Wine Premises Operations

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- Ciderly proprietors are required to report activities that take place on the bonded premises
- This includes reporting the materials brought onto the wine premises, and reporting what happens from there regarding the quantity produced, transferred in bond, bottled, and removed



# Summary - Excise Taxes and Returns

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- Pay attention to tax rates and filing requirements
- Not all cider/perry products are eligible for the Hard Cider Tax rate/credits
- Keep records for all taxpaid and untaxpaid removals