

Bulletin



AB - 65

February 10, 2015

It has come to the notice of the Office of the Comptroller, concerning contracted beer, that a general lack of understanding exists as to which brewery is responsible to pay the beer excise tax and how the contracted beer is to be properly reported. To help facilitate clarity and effective reporting of contracted beer activity, the Office of the Comptroller has updated the Brewery Tax Return (Form 376) with an additional line specifically for acquired contracted beer (Line 14 C).

The purpose of this bulletin is to specify the brewery responsible to pay the beer excise tax for contracted beer and to introduce the update to the Brewery Tax Return with the accompanying new acquisition schedule (Form 376A).

Remitting of the Maryland Beer Excise Tax, for contracted beer, is the responsibility of the resident Maryland contracting brewer, the beer owner (Class M5, 7 or 8).

Maryland Contracting Brewery Reporting:

The Maryland brewery that is contracting the beer will report, in gallons, on line 14C of the Maryland Brewery Tax Return (Form 376) the total of all contracted beer produced on its behalf by the Contracted Brewery. Details must be provided on the accompanying Brewer's Report of Contracted Beer Acquisitions (Form 376A) for each acquisition. The contracted beer gallons should then be treated in like manner as all other beer brewed on the premises and be included in the appropriate lines of the Taxable Beer Dispositions section and lines 14A and 14B, if applicable.

Maryland Contracted Brewery Reporting:

The Maryland brewery that is being contracted to brew beer will report, in gallons, on the Maryland Brewery Tax Return (Form 376) the total of contracted beer on Line 1, as a sale to the contracting brewery, and report same total of gallons on either Line 14A OR Line 14B. If beer is being contracted for an out-of-state brewery, then use Line 14A with accompanying Schedule E. If beer is being contracted for an in-state brewery, then Line 14B with accompanying Schedule F. All contracted beer should be on separate Schedule E or F, Dispositions Schedules (Form 376D) from other non-contracted beer. These entries should depict all contracted beer invoiced to the contracting brewery.

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