FORM 1650 INSTRUCTIONS -- IDAHO BEER WHOLESALERS AND BREWERIES TAX RETURN

Every Idaho wholesaler and brewery is required to file a beer tax return. The return is due on the 15th day immediately following the tax period. ON ALL FORMS, ROUND FIGURES TO THE NEAREST WHOLE GALLON.

YOU MUST FILE THE RETURN EVEN THOUGH YOU MAY NOT OWE ANY TAX FOR THE PERIOD. **You must sign your return to make it valid. Unsigned returns may result in penalty or interest, or both.** Indicate your title, the date, and phone number of your business.

Verify your information on the form. Draw a line through any errors and write in the correct information. If you have made changes, mark the "Address change" box. Check the "Cancel permit" box if you want to cancel your Idaho beer tax permit.

WHOLESALERS - Complete all forms.

BREWERIES - Complete Form BR 1650 (lines 8 through 20). Also complete Forms BR 1602, 1603, 1604 and 1605.

REPORTING PERMIT NUMBERS - Forms BR 1601 and BR 1602 require that you use "reporting permit numbers." If you don't list the reporting permit number of the vendors you have purchased from, you are acting as your own importer. List the vendor name and vendor invoice date and number, BUT INSERT YOUR OWN REPORTING PERMIT NUMBER.

SCHEDULES - If you need extra schedules, you can print copies from our website at t**ax.idaho.gov** (click on "Forms" then select "Beer tax"), or call us at 334-7660 in the Boise area or (800) 972-7660 toll free.

FORM BR 1650 BEER TAX RETURN

ACCOUNTABLE GALLONS

Line 1. Beginning inventory - This should be the ending inventory from the prior tax month. You must take a physical inventory of your beer at the end of each month.

Line 2. Total purchases - Complete Form BR 1601 and enter the amount from the last page, line 20.

Line 3. Add lines 1 and 2.

Line 4. Ending inventory - Take a physical count of your beer inventory at the close of the last working day of the tax period. Enter the total gallons on hand on this line.

Line 5. Spoilage - You are allowed to deduct up to .5% (.005) of Total Purchases (line 2) without attaching documentation. **Claim actual spoilage only.** If your spoilage exceeds .5% of line 2, you must attach satisfactory proof such as copies of insurance claims, police reports, or forms confirming that destruction was witnessed by a Tax Commission employee.

Line 6. Total Deductions - Add lines 4 and 5.

Line 7. Total gallons to account for - Subtract line 6 from line 3.

Line 8. BREWERIES - Begin here. Check the box and enter total gallons sold. Wholesalers do not use this line.

BREWERIES MANUFACTURING STRONG BEER ARE DEFINED AS WINERIES (Strong beer is beer with alcohol content over 4% by weight.) DO NOT report strong beer on this tax return.

EXEMPTIONS

Line 9. Sales/Transfers to Idaho Wholesalers - Complete Form BR 1602 and enter the total from the last page, line 20.

Line 10. Sales/Transfers to Out-of-State Wholesalers - Complete Form BR 1603 and enter the total from the last page, line 20.

Line 11. Sales to Military or Liquor Dispensaries - Complete Form BR 1604 and enter the total from the last page, line 20.

Line 12. Other exempt Sales or Transactions - If you enter an amount here, you must attach copies of your invoices and a complete explanation.

Line 13. Total Exemptions - Add lines 9, 10, 11 and 12.

TAX COMPUTATION. (Round all figures to WHOLE DOLLARS.)

Line 14. Total Taxable Gallons - Follow the instructions provided.

Line 15. Tax Due or [Refund] - Multiply line 14 by the tax rate ($.15). If the amount reflects a refund, insert the figure in [brackets].

Line 16. Credit from Previous Period - If you have received a letter from the State Tax Commission telling you that you have a credit due from a prior tax period and you wish to use that credit on this return, attach the letter to this return and enter the amount to be applied to this tax liability.

Line 17. Total Tax Due or [Refund] - Subtract line 16 and line 15.

LIne 18. Penalty - Delinquent returns are subject to penalty. No penalty is due if no tax is due. Penalty is 5% of the tax due for each delinquent month or portion of a month. The maximum penalty is 25% and the minimum penalty amount is $10.00.

Interest. Interest accrues on delinquent payments from the due date until paid. Rates are as follows:

1/1/2013 - 12/31/2013, 3% per year
1/1/2012 - 12/31/2012, 4% per year
1/1/2011 - 12/31/2011, 4% per year
1/1/2010 - 12/31/2010, 5% per year

Line 19a. Total Due - add lines 17 and 18. ATTACH YOUR PAYMENT FOR ANY AMOUNT DUE.

Line 19b. Refund **-** If the amount on line 17 is a refund of $200 or more, a check will be sent to you. If the amount is under $200, you will receive a "credit due" notification to be used with future returns.

FORM BR 1601 BEER PURCHASES

Only wholesalers complete this form. Breweries do not use this form.

Enter the purchases you have made during the month from manufacturers, importers, and other wholesalers.

For each vendor invoice you must enter the vendor name, reporting permit number (see instructions), the invoice date on the VENDOR'S INVOICE, the vendor invoice number (DO NOT USE YOUR OWN P.O. OR CHECK NUMBER), and the amount purchased. (Remember - if you are your OWN importer, insert your reporting permit number.)

See the specific instructions on Form BR 1601.

FORM 1650 INSTRUCTIONS — continued

FORM BR 1602 SALES/TRANSFERS TO IDAHO WHOLESALERS

Wholesalers and Breweries complete this form.

Enter the sales or transfers you've made during the month to wholesalers located in Idaho. For each sales invoice, enter the customer's name and reporting permit number, your invoice date and your invoice number. Use as many pages as you need to report all sales and transfers.

See the specific instructions on Form BR 1602.

FORM BR 1603 SALES/TRANSFERS TO OUT-OF-STATE WHOLESALERS

Wholesalers and Breweries complete this form.

Enter the total sales you've made during the month to wholesalers located in states OTHER THAN IDAHO. For each sales invoice, enter the customer name, city and state, your invoice date and number.

See the specific instructions on Form BR 1603.

FORM BR 1604 SALES TO MILITARY AND LIQUOR DISPENSARIES

Wholesalers and Breweries complete this form.

Enter the total sales you've made during the month to military and to state liquor dispensaries. For each sales invoice, enter the customer name, city and state, your invoice date and number.

See the specific instructions on Form BR 1604.

FORM BR 1605 ODD SIZED PACKAGES - CONVERSION

Use this form only if you are reporting by packages in columns 2 through 18 on the previous forms discussed and there is not a column provided for one of the package sizes on the invoice. After converting the item to gallons, carry the total gallons of the odd-sized packages for that invoice back to the appropriate line of the form for which you were required to make the conversion.

To amend a beer return. Use this same form and check the "AMENDED RETURN" box when amending a beer return. If you did not keep a copy of the original return, contact the Idaho State Tax Commission for one. Amended returns must show figures as they **should** have been entered on the original return. Do not enter the net change.

Use the these same instructions for filing either an original or amended return.

Taxes to be paid by electronic funds transfer. All taxes due to the State of Idaho must be paid by electronic funds transfer whenever the amount due is $100,000 or greater. You must file your written tax return on or before the due date indicating payment by Electronic Funds Transfer.

If you are not required to pay by electronic funds transfer, the total payment for tax due must accompany your return. Make your check or money order payable to the State Tax Commission. Do not staple your check to your return or send a check stub.

Payment by credit/debit card and e-check. You can use a credit/debit card or e-check to make payments under $100,000 to the state of Idaho. You can pay through our website at **tax.idaho.gov**. We accept American Express, Discover, MasterCard, and Visa for credit card payments. A convenience fee is added to all credit/debit card and e-check payments (effective January 1, 2009).

Mail Return To: Idaho State Tax Commission, PO Box 76, Boise, ID 83707-0076