



Form 1754 — Instructions Distributors, Wholesalers, Wineries, Direct Shippers, and Strong Beer Breweries Tax Return

What's New

- Report strong beer and wine separately. Strong beer isn't taxed as wine any longer. Strong beer is now any beer over 5% alcohol by volume.
- Don't include Schedules 1721 through 1725.
- Report total exemptions. Don't report exemptions separately.

You must keep detailed records showing how you completed this return.

Record-Keeping Requirements

You must keep all the records you used to complete the return for four years.

Summarize your records by product type numerically by date.

Keep all beer and wine purchase orders, sales receipts, inventory records, records for gallons claimed as tax-exempt, and any other records used to complete the return.

Keep records verifying the destruction of unsaleable products.

Who Must Complete the Return

Every Idaho distributor, wholesaler, winery, direct shipper, and strong beer brewery must complete all parts of the return.

Wine direct shippers begin at line 8.

File on the 15th day following the end of the previous month or the next business day after a legal holiday. **Round amounts to the nearest whole gallon.**

Remember to:

- File a return even when you don't owe tax.
- Sign your return. Include the name of the person signing, title, date, and phone number.

Check the box if you're:

- Amending a return. See the instructions below.
- Changing your address. Strike through the old address and write in the new one.
- Cancelling your return. Enter the last day of business.

Amended Returns

Submit an amended return using your copy of the original return. If you need a copy of your original return, contact the Tax Commission. Complete

the entire return using the correct amounts. Don't enter the net change.

Specific Instructions

Accountable Gallons — Lines 1 through 9

Enter strong beer amounts in Column A and wine amounts in Column B.

Line 1. Beginning inventory. The beginning inventory is the ending inventory from the previous month.

Line 2. Total purchases/production. Enter your total purchases/production for the reporting period.

Line 3. Beginning inventory plus purchases/production. Enter the total of lines 1 and 2.

Line 4. Ending inventory (actual count). Enter the physical inventory taken at the end of the last working day of the reporting period.

Line 5. Gallons destroyed. Enter the actual gallons destroyed.

Records you must keep. Keep records of all product destroyed and verification of destruction.

Line 6. Total deductions. Add lines 4 and 5.

Line 7. Total gallons. Subtract line 6 from line 3.

Line 8. Out-of-state direct shippers. Enter total gallons sold.

Out-of-state direct shippers aren't in Idaho and ship products to an Idaho address. All sellers not shipping to a permitted Idaho distributor or wholesaler must have a tax account to pay tax as required by IDAPA 35.01.09.11.

Line 9. Total exemptions. Enter the total exempt gallons. Exemptions include, but aren't limited to:

- Gallons purchased with the strong beer or wine tax included in the price.
- Sales or transfers to Idaho wine distributors or strong beer wholesalers.
- Sales or transfers to out-of-state wine distributors or strong beer wholesalers
- Sales to the military or the Idaho Liquor Dispensary.

Records you must keep. Keep records of all purchases, sales, and transfers numerically by date.

The total accountable gallons are the taxable gallons entered in line 10.

Tax Computation — Lines 10 through 16b

Line 10. Total taxable gallons. Add lines 7 and 8, then subtract line 9. Enter the total for strong beer in Column A and the total for wine in Column B.

Line 11. Strong beer tax due or [refund]. Multiply line 10 Column A times \$0.45. Enter the amount. Use brackets to indicate a refund.

Line 12. Wine tax due or [refund]. Multiply line 10 Column B times \$0.45. Enter the amount. Use brackets to indicate a refund.

Line 13. Subtotal tax due or [refund]. Add lines 11 and 12. Enter the amount. Use brackets to indicate a refund.

Line 14. Credit from previous periods. If the Tax Commission issued you a credit notification letter, then enter the credit amount. Include the letter with your return.

Line 15. Penalty and interest. Use the following instructions if penalty and interest apply. Write the amount on each line and the total.

Penalty. You must file and pay by the due date listed on the tax return. If you file or pay late, the following apply:

- No penalty is due if no tax is due.
- The minimum penalty is \$10.
- The maximum penalty is 25% of the tax due.
- Each month or part of a month is considered a month.
- Penalty begins the first day you're late and continues until you pay the tax.

If you file on time but your payment is late, the penalty is 0.5% of the tax due. Multiply line 13 times 0.5% and the number of months late.

If you file late, the penalty is 5.0% of the tax due. Multiply line 13 times 5.0% and the number of months late.

If you file late and pay late, the penalty is 5.5%. Multiply line 13 times 5.5% and the number of months late.

Interest. Interest accrues on overdue tax from the original due date of the return until you pay the tax.

Rates are as follows:

- 01/01/2021 – 12/31/2021, 2% per year
- 01/01/2020 – 12/31/2020, 4% per year
- 01/01/2019 – 12/31/2019, 5% per year
- 01/01/2018 – 12/31/2018, 4% per year

Line 16a. Total due. Add lines 13, 14, and 15.

Line 16b. Total refund. Add lines 13, 14, and 15.

Payments. We apply payments in this order:

1. Bad check fees
2. Interest
3. Tax
4. Penalty

Pay electronically. You can pay electronically by accessing tax.idaho.gov/epay. Use one of these payment options:

- ACH Debit
- ACH Credit
- Credit card
- Debit card
- E-check

Note: If you pay electronically and file a paper return, note at the top of the return which option you used.

Payments \$100,000 or more. Idaho law requires you to use ACH Debit or ACH Credit.

Pay by check. Make your check or money order payable to the Idaho State Tax Commission and include it with your return.

Mail paper returns and payments to:

Idaho State Tax Commission
 PO Box 76
 Boise ID 83707-0076

Contact us:

In the Boise area: (208) 334-7660 | Toll free: (800) 972-7660

Hearing impaired (TDD) (800) 377-3529

tax.idaho.gov/contact