

STATE OF NEW MEXICO
TAXATION AND REVENUE DEPARTMENT
LIQUOR EXCISE TAX
ALCOHOLIC BEVERAGE INVENTORY AND DEDUCTION REPORT

Wholesaler		
Federal employer identification number (FEIN)	CRS identification number (CRS)	Report period _____

	Beer in gallons	Micro beer in gallons	Cider in gallons	Spirituous liquor in liters	Wine in liters	Fortified wine in liters	Wine produced by a small winegrower in liters
INVENTORY							
1. Beginning inventory							
2. Purchased or produced							
3. Transfers in							
4. Total: Add lines 1, 2 and 3							
LESS: 5. Sales							
6. Destroyed, spoiled, damaged							
7. Samples and donations							
8. Transfers out							
9. Ending inventory: Subtract the sum of lines 5, 6, 7 and 8 from line 4.							
DEDUCTIONS/EXEMPTIONS							
10. Sales to or by instrumentalities of the Armed Forces							
11. Interstate sales							
12. Sales in which the liquor excise tax was previously paid							
13. Destroyed due to spoilage or damage							
14. Total deductible or exempt sales							

Attach to Form RPD-41129, *Liquor Excise Tax Return*, and mail to Taxation and Revenue Department, P.O. Box 25123, Santa Fe, NM 87504-5123

I declare I have examined this form and to the best of my knowledge and belief it is true, correct and complete.

Authorized signature _____ Title _____ Date _____ Phone _____

STATE OF NEW MEXICO
TAXATION AND REVENUE DEPARTMENT
ALCOHOLIC BEVERAGE INVENTORY AND DEDUCTION REPORT INSTRUCTIONS

Effective July 1, 2008, new legislation reorganizes the definition section of the Liquor Excise Tax Act and adds a definition of "winegrower". It also increases, from fewer than 560,000 liters to fewer than 950,000 liters, the amount of production that qualifies a winegrower as a "small winegrower". The reduction in the excise tax rate on wine from \$.45 per liter to \$.10 per liter is retained for the first 80,000 liters sold in New Mexico by a small winegrower, but the limit on such sales over 80,000 liters that qualify for the reduced rate of \$.20 per liter is increased from 560,000 liters to 950,000 liters. The law also adds new rules related to the tax liability on wine transfers between winegrowers and between winegrowers and wholesalers.

WHO MUST FILE: Wholesalers who sell alcoholic beverages must file Form RPD-41129, *Liquor Excise Tax Return*, and pay liquor excise tax on alcoholic beverages sold. The liquor excise tax and return are due on or before the 25th day of the month following the close of the calendar month in which alcoholic beverages were sold. When filing and paying liquor excise tax, the wholesaler must also complete and attach Form RPD-41294, *Alcoholic Beverage Inventory and Deduction Report*.

Note: Retailers located in McKinley County must also file Form RPD-41277, Local Liquor Excise Tax Return, and pay the local liquor excise tax.

HOW TO FILE: Complete this form and attach it to Form RPD-41129, *Liquor Excise Tax Return*. Make the check or money order payable to New Mexico Taxation and Revenue Department. Mail the payment and all required documentation to Taxation and Revenue Department, P. O. Box 25123, Santa Fe, NM 87504-5123.

HOW TO COMPLETE THIS FORM: Enter the name of the reporting wholesaler, the wholesaler's federal employer identification number (FEIN), and the 11-digit CRS identification number (CRS). Enter the report period (calendar month) beginning with the first day of the month and ending on the last day of the month. Use the following instructions to complete the report. Sign and date the report.

INSTRUCTIONS: For each type of alcoholic beverage listed, complete the columns according to the instructions below. You must enter the numbers in terms of gallons or liters according to the unit of measure indicated for each type of alcoholic beverage.

INVENTORY: Complete the inventory information on lines 1 through 9. Ensure that the beginning inventory during a month reconciles with the ending inventory of the prior month report.

Transfers in and transfers out refer to:

- inventory that is moved between locations or between businesses in non-sale transactions, and
- wine that is transferred to a winegrower from another winegrower for processing, bottling or storage and subsequent return to the transferrer.

Example 1. Wholesaler A transfers inventory from its warehouse to the warehouse of wholesaler B in a non-sale transaction. By agreement, the inventory will be turned over to wholesaler B for re-sale, and wholesaler B assumes the responsibility to pay the liquor excise tax. Wholesaler A reports the non-sale "transfer out" of inventory, and wholesaler B reports the non-sale "transfer in" to inventory.

Example 2. In the transfer in and transfer out rows, winegrower A, who is also a wholesaler, may report the liters of wine transferred to the winegrower from another winegrower (winegrower B) for processing, bottling or storage and subsequent return to winegrower B. When winegrower A receives the wine, a "transfer in" is recorded. When the wine is returned to the initial winegrower (winegrower B), winegrower A records a "transfer out".

DEDUCTIONS/EXEMPTIONS: Certain sales of alcoholic beverages subject to the liquor excise tax are deductible, exempt, or a credit is allowed. On lines 10 through 14, report the gallons or liters included in sales (Line 5) that qualify for a deduction, exemption or a credit. The allowable deductions, exemptions and credits are subtracted from total sales in Column B on Form RPD-41129, *Liquor Excise Tax Return*.

Line 10 For each type of alcoholic beverage, enter the gallons or liters sold during the report period to or by an instrumentality of the Armed Forces of the United States engaged in resale activities.

Line 11 For each type of alcoholic beverage, enter the gallons or liters sold and shipped to a person in another state.

Line 12 For each type of alcoholic beverage, enter the gallons or liters to which the liquor excise tax was previously paid.

Line 13 For each type of alcoholic beverage, enter the gallons or liters included in line 5 that were destroyed in shipment, spoiled, or otherwise damaged and made unfit for sale or consumption. Note: If the liquor excise tax was paid in a prior period on the destroyed, spoiled or damaged product, you may claim a refund of the tax paid by submitting Form RPD-41071, *Application for Tax Refund*, and attaching proof that the product was

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spoiled, broken or damaged and returned.

Line 14 Enter the sum of lines 10 through 13.

Wine Transfers Between Winegrowers and Between Winegrowers and Wholesalers. Effective July 1, 2008.

- A winegrower may deduct the liters of wine transferred to a winegrower from another winegrower for processing, bottling or storage and subsequent return to the transferrer from the units of wine subject to the liquor excise tax on the licensed premises of the winegrower. The volume of wine transferred from the initial winegrower to the second winegrower remains a tax liability of the initial winegrower unless the second winegrower uses or resells the wine transferred. Then the second winegrower assumes the liability for the liquor excise tax due.
- A transfer of wine from a winegrower to a wholesaler for distribution of the wine, transfers the liability for payment of the liquor excise tax to the wholesaler upon the sale of the wine by the wholesaler.

Important Definitions as used in the Liquor Excise Tax Act (Sections 7-17-1 through 7-17-12 NMSA 1978):

- "Alcoholic beverages" means distilled or rectified spirits, potable alcohol, brandy, whiskey, rum, gin, aromatic bitters or any similar beverage, including blended or fermented beverages, dilutions or mixtures of one or more of the foregoing containing more than one-half of one percent alcohol by volume, but "alcoholic beverages" does not include medicinal bitters.
- "Beer" means an alcoholic beverage obtained by the fermentation of any infusion or decoction of barley, malt and hops or other cereals in water and includes porter, beer, ale and stout.
- "Cider" means an alcoholic beverage made from the normal alcoholic fermentation of the juice of sound, ripe apples that contains not less than one-half of one percent of alcohol by volume and not more than seven percent of alcohol by volume.

- "Fortified wine" means wine containing more than fourteen percent alcohol by volume when bottled or packaged by the manufacturer, but "fortified wine" does not include:
 - 1) wine that is sealed or capped by cork closure and aged two years or more;
 - 2) wine that contains more than fourteen percent alcohol by volume solely as a result of the natural fermentation process and that has not been produced with the addition of wine spirits, brandy or alcohol, or
 - 3) vermouth and sherry.
- "Microbrewer" means any person who produces fewer than five thousand barrels of beer in a calendar year.
- "Person" includes, to the extent permitted by law, a federal, state or other governmental unit or subdivision or an agency, department, institution or instrumentality thereof.
- "Winegrower" means a person licensed pursuant to Section 60-6A-11 NMSA 1978.
- "Small winegrower" means a winegrower who produces fewer than nine hundred fifty thousand liters of wine in a year.
- "Spirituous liquors" means alcoholic beverages, except fermented beverages such as wine, beer, cider and ale.
- "Wholesaler" means a person holding a license issued under Section 60-6A-1 NMSA 1978 or a person selling alcoholic beverages that were not purchased from a person holding a license issued under Section 60-6A-11 NMSA 1978.
- "Wine" means an alcoholic beverage other than cider that is obtained by the fermentation of the natural sugar contained in fruit or other agricultural products, with or without the addition of sugar or other products, and that does not contain more than twenty-one percent alcohol by volume.