

# Craft Beverage Modernization and Tax Reform Act of 2017 (CBMA) Webinar

CBP Office of Trade

Trade Policy and Programs

Commercial Operations Revenue and Entry Division (CORE)

April 9, 2019



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# The ‘Act’

The *Craft Beverage Modernization and Tax Reform Act of 2017* (CBMA) passed as part of the *Tax Cut and Jobs Act of 2017*. CBMA amended the Internal Revenue Code with respect to the tax treatment of certain imported and domestically produced alcoholic beverages, including beer, wine and distilled spirits.



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# 2019 CBMA Claim Procedures

## Foreign Producer



- Under CBMA, Congress granted Foreign Producers/Assigning Entities the authority to grant CBMA allocations to Importers.
- Foreign Producers allocate reduced tax rates and credits on an Assignment Certification.
- Foreign Producers/Assigning Entities should track quantities allocated as not to exceed quantitative limitations established by the Act.

## Importer/Filer



- Importer/Filer must use Product Claim Code 'C' to flag entry summary lines for which the lower CBMA benefits are claimed.
- Importer/Filer must claim the appropriate CBMA tax credit or rate granted to the importer by the Foreign Producer/Assigning Entity.
- To complete the CBMA claim, Importer/Filer must ensure that CBMA supporting documents are on file with CBP. All importers should complete their claim by the 15th calendar day of each month following the month of entry summary date or risk liquidation of the pertinent entry without CBMA benefits.

## CBP



- CBP will review claims for accuracy, eligibility, and completeness and approve or deny the claims.
- CBP will liquidate each claim after review, generating a refund or a bill to the importer/filer.
- Claims that cannot be substantiated or are incomplete at the time of review, will liquidate without the benefit of CBMA.
- Up to 180 days after liquidation of relevant entry, importer/filer may file a Protest.

# 2019 CBMA Processing Changes

## CBP Processing of 2019 Claims:

Importers/filers should submit their CBMA Spreadsheets at least on a monthly basis – by the 15th day of the following calendar month.

April 2019						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

Tuesday, Apr 30th 2019

May 2019						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Wednesday, May 15th 2019



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# 2019 CBMA File Naming Conventions

## **2019 Assignment Certification file naming convention:**

- CBP156-[Assigning\_Entity\_Name]\_[Calendar Year]\_Assignment\_Certification.pdf

## **2019 CBMA Spreadsheet file naming convention:**

- CBP155-[Entry Number the CBMA Spreadsheet is Linked to]\_CBMA\_Spreadsheet.xlsx.

## **2019 Controlled Group Spreadsheet file naming convention:**

- CBP154-[Controlled\_Group\_Name]\_[Calendar Year]\_Controlled\_Group\_Spreadsheet.xlsx

**Adhere to the same guidelines for naming conventions for documents submitted for non-ABI claims, paper and electronic protests.**



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# 2019 CBMA File Naming Changes

The calendar year is now required in the naming convention of the CBMA Controlled Group Spreadsheet:

- CBP154-[Controlled\_Group\_Name]\_[**Calendar Year**]-Controlled\_Group\_Spreadsheet.xlsx

Note: In [CSMS #19-000148](#), published March 22, 2019, CBP updated the Assignment Certification to also include the calendar year in the file naming convention.



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# The Assignment Certification

- An updated Assignment Certification must be filed immediately if there are any changes to an original certification filed in either 2018 or 2019.
- Filers may submit 2019 assignment certifications as soon as they are obtained, even if the filer has not yet imported the products that are eligible for the CBMA benefit.
- In the Document Image System (DIS), the Assignment Certifications should be linked to the Importer of Record (IOR) number of the importer receiving an assignment.
- Assignment Certifications must specify one of the four CBMA alcohol types ('beer', 'wine', 'cider', or 'distilled spirits'), the specific rate/credit being authorized, quantity of allocation, and calendar year. Assignment Certifications must also comply with the file-naming convention adopted with [CSMS #19-000148](#), (published March 22, 2019) which includes the calendar year.
- Filers who receive allocations for more than one type of alcohol or tax rate/credit should submit a separate Assignment Certification for each type of alcohol (beer, wine, cider or distilled spirits) and CBMA tax rate/credit they are assigned. (Note: For the purposes of CBMA, the combined quantity of wine and cider tax credits allocated by a single Foreign Producer/Assigning Entity may not exceed the quantitative limits imposed by the law.)



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# The Assignment Certification



AleWorx. Beer Lane 82, 10409, Berlin, Germany. Est. 1882

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## ASSIGNING ENTITY CERTIFICATION

I **Sherry Hops, Chief Executive Officer**, currently employed by **WorxGroup, Beer Lane 82, 10409, Berlin, Germany** and authorized to bind the company, certify that **WorxGroup** is the producer/manufacturer of the imported **Beer** that is subject to a Craft Beverage Modernization and Tax Reform Act (CBMA) claim. I certify that I assigned **ImportWorx** to receive the **\$16 tax rate** for **6,000,000 Barrels** for **2018 calendar year**. I certify that this assignment and any other assignment given by **WorxGroup** during this calendar year does not exceed the production of **AleWorx** during **2018 calendar year**. I certify that **WorxGroup** has not assigned more **Barrels** to this importer or any other importer, individually or collectively, to receive a reduced tax rate/tax credit than is permissible by the CBMA.



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# The CBMA Spreadsheet

Entry Number	Entry Line Number	IOR Number	Protest Number (if applicable)	Alcohol Type	CBMA Tax Rate or Credit Assigned and Requested by Line	Quantity Claimed for CBMA Tax Rate or Credit by Line	Estimated Excise Tax Paid by Line for Quantity Claimed	Excise Tax Claimed to be Owed by Line for Quantity Claimed	Refund	Total Annual Assignment Received From Assigning Entity To Date	Total Annual Assignment Taken to Date	Total Annual Assignment Remaining to Date	FDA Manufacturer Name	Controlled Group Name	Assigning Entity Name
12345678910	1	12345-123456		Beer	\$16.00	1000	\$18,000.00	\$16,000.00	\$2,000.00	6000000	500000	\$5,000000	Ale/Worx	Worx Group	Worx Group
12345678910	2	12345-123456		Wine	\$1.00	2000	\$2,140.00	\$140.00	\$2,000.00	3000	2000	1000	Wine/Worx	Worx Group	Wine/Worx
12345678910	3	12345-123456		Spirits	\$2.70	3000	\$40,500.00	\$8,100.00	\$32,400.00	5000	3000	2000	Spirits United	Spirits United	Spirits United
12345678910	4	12345-123456		Spirits	\$13.34	2000	\$27,000.00	\$26,680.00	\$320.00	5000	5000	0	Spirits United	Spirits United	Spirits United
12345678920	1	12345-123456		Beer	\$16.00	1000	\$18,000.00	\$16,000.00	\$2,000.00	6000000	501000	\$4,990000	Ale/Worx	Worx Group	Worx Group
12345678920	2	12345-123456		Beer	\$16.00	2000	\$36,000.00	\$32,000.00	\$4,000.00	6000000	503000	\$4,970000	Ale/worx	Worx Group	Worx Group
12345678930	3	12345-123456		Beer	\$16.00	3000	\$54,000.00	\$48,000.00	\$6,000.00	6000000	506000	\$4,940000	Ale/worx	Worx Group	Worx Group

Enter **Entry Numbers** for one or more CBMA claims.

Only one **IOR Number** should be referenced.

**Entry Line Numbers** will be unique on each row, except in cases where one entry line contains quantities assessed at two different CBMA tax rates/credits.

**Total Assignment Remaining to Date** should be completed by decrementing the **Total Assignment Taken to Date** from the **Total Assignment Received to Date**.

Select **Alcohol Type**, revealing drop-down options for the appropriate CBMA tax rate or credit.

**Controlled Group Name** entered should match the corresponding field in the Controlled Group Spreadsheet for foreign producer/assigning entity.

**Assigning Entity Name** entered, should match the relevant Assignment Certification.



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# The Controlled Group Spreadsheet

Controlled Group Member Information												Annual Production		
IOR Number	Controlled Group Name	Controlled Group Member Name	Controlled Group Member Address Line 1	Controlled Group Member Address Line 2	Controlled Group Member City	Controlled Group Member State/Province	Controlled Group Member Postal Code	Controlled Group Member Country	Controlled Group Member Phone Number	Controlled Group Member Email	Foreign or Domestic Control Group Member	Beer	Wine and Cider	Spirits
12345-123456	WorxGroup	AleWorx	81 Beer Lane		Berlin	Berlin		Germany	498768764	aleworx@worx	Foreign	8000000		
12345-123456	WorxGroup	WineWorx	82 Beer Lane		Berlin	Berlin		Germany	498736584	wineworx@wor	Foreign		5000	
12345-123456	WorxGroup	AmericaWorx	58 IPA Blvd.		Washington D.C.	District of Columbia	20001	United States	12028676785	americaworx@	Domestic	500000		

**Controlled Group Name** should be duplicated on each line. Each Controlled Group Spreadsheet should contain information pertaining to only one Controlled Group.

Use the drop-down options to identify each Controlled Group Member as either "Foreign" (incorporated outside the United States) or "Domestic" (incorporated inside the U.S.).

Enter the **IOR Number** for the importer filing this document. Duplicate the **IOR Number** on each row.

On each row, enter information about a different producer within the Controlled Group. Include all related producers—subsidiary, parent or otherwise associated with the **Controlled Group Name** entered.

Enter **Production Capacity** in wine, beer or spirits for each of the listed Controlled Group Members.



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# 2019 Guidance FAQs

**Q:** When will I receive my refund?

**A:** CBP is reviewing claims in chronological order, by entry summary import date. Refunds will be issued and received after the liquidation of the entry summary.

**Q:** This guidance applies to claims after publication of the 2019 guidance. How should I file January through March claims?

**A:** If not already submitted, you may include January through March entry summaries on the same CBMA Spreadsheet with April's entry summaries and submit by May 15th.

**Q:** If my Controlled Group did not change in 2019, do I need to submit a new Controlled Group Spreadsheet for 2019?

**A:** Yes, you will need a 2019 Controlled Group spreadsheet on file with CBP.



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# 2019 Guidance FAQs

Q: Do I need to resubmit CBMA documents submitted between January 1, 2018 and up to the date of the publishing of the 2019 guidance?

A:

- Controlled Group spreadsheets and Assignment Certifications submitted without the calendar year in the naming convention prior to April 4, 2019 are grandfathered in.
- Controlled Group Spreadsheets and Assignment Certifications submitted after April 4, 2019 must contain the calendar year in the naming convention, per [CSMS #19-000172](#)

Q: I submitted all my CBMA documents into DIS, however, I still received a documents required message. What should I do?

A: ACE cannot tell if you have submitted documents into DIS or not. If you have submitted documents into DIS, no need to resubmit them.



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# Questions?

Trade Policy & Programs  
Commercial Operations, Revenue & Entry Division

[CBMA@cbp.dhs.gov](mailto:CBMA@cbp.dhs.gov)



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