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

December 11, 2018

Trade Policy and Programs
Commercial Operations Revenue and Entry Division (CORE)
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.
The ‘Facts’

- Import date for eligible shipments is from January 1, 2018 until December 31, 2019.
- Reduced rates effective during calendar years 2018 and 2019
- Quantitative limitations apply to the Controlled Group, not importer or domestic producer
- Foreign producer driven (Allocation Required via Assignment Certification)
- TTB administers domestic side of CBMA
- CBP administers foreign exports side of CBMA
- CBMA excise tax rates for calendar years 2018 and 2019 are available at [https://www.ttb.gov/tax_audit/taxrates.shtml](https://www.ttb.gov/tax_audit/taxrates.shtml)
CBMA Procedures and Requirements

On October 16, 2018, CBP published CSMS #18-000609, outlining the Procedures and Requirements for filing CBMA claims:

- Product Claim Code ‘C’ to identify CBMA claims
  - CBMA Claims at Entry/Entry Summary
  - Using Post Summary Corrections (PSC) to claim lower CBMA rates and credits
  - Filing Protest to claim the lower CBMA rates and credits
- CBMA Supporting Documents required to complete claim
- Document Image System (DIS) submissions
Claiming CBMA Lower Rate or Credit at Entry/Entry Summary

Input the value ‘C’ in the ‘Product Claim Code’ field in the Line Item Header Grouping (40-record) of the entry summary submission. The harmonized tariff record in ACE has been updated to reflect CBMA rates. After successful submission of entry summary, upload supporting documents in to DIS.
Filing CBMA Post Summary Corrections (PSC)

- Input the value ‘C’ in the ‘Product Claim Code’ field in the Line Item Header Grouping (40-record) of the entry summary submission. The harmonized tariff record in ACE has been updated to reflect lower CBMA rates. After successful submission of the PSC, upload supporting documents into DIS. Filer/Importer may receive a ‘docs required’ message after PSC transmission. This is not a request for entry summary documents, but CBMA supporting documents. Please upload documents into DIS.
CMBP Electronic Protest

Select 514 protest in Protest Module

Issue: CBMA

Complete and attach supporting CBMA documents

CMBP Paper Protests

Complete Form 19
Issue: CBMA

Mail or Hand deliver to port

Email documents to cbma@cbp.dhs.gov with protest number in subject line

U.S. Customs and Border Protection
The Assignment Certification

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.

- Assignment Certifications must be submitted on the letterhead of the assigning entity (foreign producer).
- Assignment Certifications should be submitted to DIS and linked to the IOR number of the importer receiving an assignment.
Assignment Certification Guidelines

Do:

- Submit Assignment Certifications on the letterhead of the assigning entity.
- Adhere to the document naming convention described in the instructions and replace all words in brackets with the actual Assigning Entity name.
  - CBP156-[Assigning_Entity_Name]_[Calendar Year]_Assignment_Certification.pdf
- Use the DIS document label “CBMA_PRODUCER_CERTIFICATE” when submitting the Assignment Certification to DIS.
- Only save files in the .pdf file format.
- Submit a new Assignment Certification for any new or additional assignments received.

Please Do Not:

- Edit the text or format of the template, except to insert information where necessary.
# The CBMA Spreadsheet

<table>
<thead>
<tr>
<th>Entry Number</th>
<th>Entry Line Number</th>
<th>IOR Number</th>
<th>Protest Number (If applicable)</th>
<th>Alcohol Type</th>
<th>CBMA Tax Rate or Credit Assessed and Reported by Line</th>
<th>Quantity Claimed for CBMA Tax Rate or Credit by Line</th>
<th>Estimated Excise Tax Owed by Line for Quantity Claimed</th>
<th>Excise Tax Owed by Line for Quantity Claimed</th>
<th>Refund</th>
<th>Total Annual Assignment Received From Assigning Entity To Date</th>
<th>Total Annual Assignment Remaining to Date</th>
<th>Total Annual Assignment Remaining to Date</th>
<th>Total Annual Assignment Remaining to Date</th>
<th>Total Annual Assignment Remaining to Date</th>
<th>F.D.A. Manufacturer Name</th>
<th>Controlled Group Name</th>
<th>Assigning Entity Name</th>
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<tbody>
<tr>
<td>1234578901</td>
<td>1 2345-123456</td>
<td>IOR-1</td>
<td></td>
<td>Beer</td>
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<td>$10,000</td>
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<td>5000000</td>
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<td>WorxGroup</td>
<td>WorxGroup</td>
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<tr>
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<td>3000</td>
<td>5000000</td>
<td>0</td>
<td>5000000</td>
<td>Spirits United</td>
<td>Spirits United</td>
<td>Spirits United</td>
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<td></td>
<td>Spirits</td>
<td>$13.34</td>
<td>2000</td>
<td>$27,000</td>
<td>$20,000.00</td>
<td>$30,000</td>
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<td>5000000</td>
<td>Spirits United</td>
<td>Spirits United</td>
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<td>5000000</td>
<td>0</td>
<td>5000000</td>
<td>Spirits United</td>
<td>Spirits United</td>
</tr>
</tbody>
</table>

- **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.**

![U.S. Customs and Border Protection Logo]
CBMA Spreadsheet Guidelines

- Fill in all data fields possible, to the best of your ability. Missing information may result in liquidation without the benefit of the CBMA rate.

- Adhere to the document naming convention described in the instructions and replace all words in brackets with the actual entry number that the CBMA Spreadsheet is linked to:
  - CBP155-[Entry Number the CBMA Spreadsheet is Linked to]_CBMA Spreadsheet.xlsx

- Use the document label “CBMA_IMPORTER_SPREADSHEET” when submitting the CBMA Spreadsheet to DIS.

- Adhere to drop-down values where applicable (i.e.: Alcohol Type, CBMA Tax Rate or Credit Assigned and Requested by Line).

- Only save files in .xlsx format.

- Use caution if employing copy/paste—this method is likely to result in error.

Please Do Not:

- Include hyphens in Entry Line or Entry Line Number fields.

- Edit the pre-set data validations in the spreadsheets.

- Enter words as text (i.e. “gallons” or “proof liters”) in fields that request only numeric values.
The Controlled Group Spreadsheet

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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<table>
<thead>
<tr>
<th>IOR Number</th>
<th>Controlled Group Name</th>
<th>Controlled Group Member Name</th>
<th>Controlled Group Member Address Line 1</th>
<th>Controlled Group Member Address Line 2</th>
<th>Controlled Group Member City</th>
<th>Controlled Group Member State/Province</th>
<th>Controlled Group Member Postal Code</th>
<th>Controlled Group Member Country</th>
<th>Controlled Group Member Phone Number</th>
<th>Foreign or Domestic Control Group Member</th>
<th>Controlled Group Member Email</th>
<th>Beer</th>
<th>Wine and Cider</th>
<th>Spirits</th>
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</thead>
<tbody>
<tr>
<td>12345-12</td>
<td>AeiWox</td>
<td>81 Beer Lane</td>
<td>Berlin</td>
<td>Berlin</td>
<td>Berlin</td>
<td>Germany</td>
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<td>Germany</td>
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<tr>
<td>12345-12</td>
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<td>americaron@gmail/com</td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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[Image of spreadsheet with annotations]
Controlled Group Spreadsheet Guidelines

Do:

- List all related producers, foreign or domestic, whether or not you import from that specific entity.
- List only producers as Controlled Group Members. Importers need not be reported.
- Adhere to the document naming convention described in the instructions and replace the words in brackets with the actual name of the Controlled Group.
- CBP154-[Controlled_Group_Name]_Controlled_Group_Spreadsheet.xlsx
- Use the document label “CBMA_CONTROLLED_GROUP” when submitting the Controlled Group Spreadsheet to DIS.
- Only save files in .xlsx file format.
- Use caution if employing copy/paste—this method is likely to result in error.

Please Do Not:

- Edit the pre-set data validations in the spreadsheets
- In data fields that require numeric values, do not enter words (i.e. “gallons” or “proof liters”)

U.S. Customs and Border Protection
Questions?

Trade Policy & Programs
Commercial Operations, Revenue & Entry Division

CBMA@cbp.dhs.gov