

# 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)



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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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# 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)



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# CBMA Procedures and Requirements

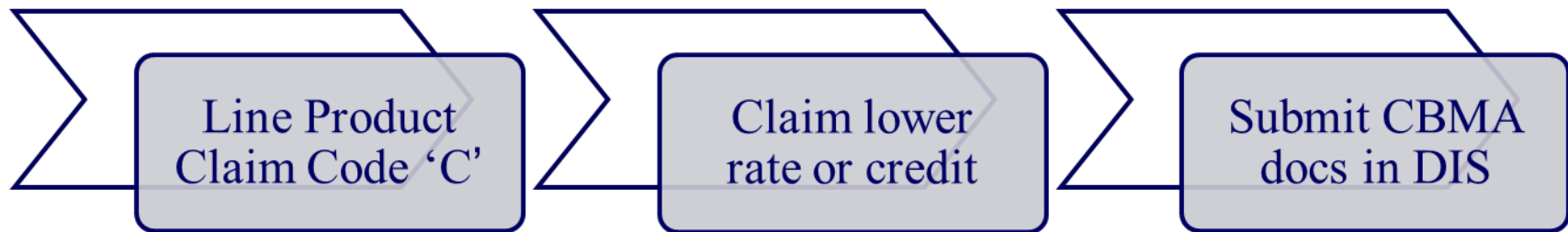
On October 16, 2018, CBP published CSMS #18-000609, outlining the Procedures and Requirements for filing CBMA claims:

- 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



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# Claiming CBMA Lower Rate or Credit at Entry/Entry Summary

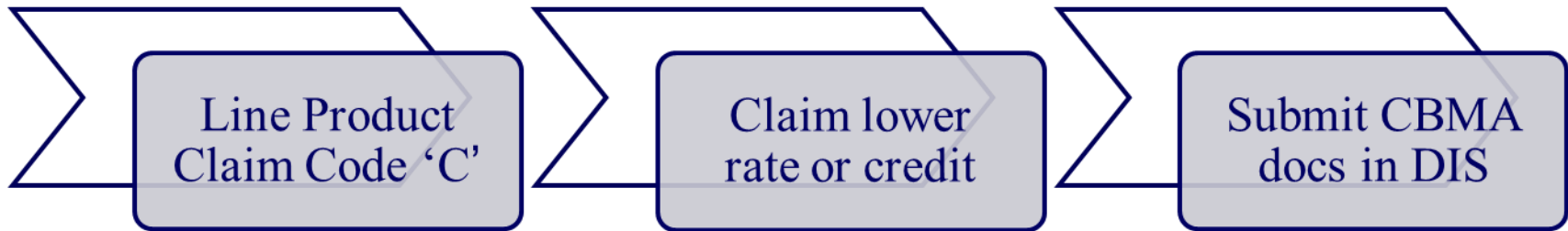


Input the value 'C' in the 'Product Claim Code' field in the Line Item Header Grouping (40-record) of the entry summary submission. The harmonized tariff record in ACE has been updated to reflect CBMA rates. After successful submission of entry summary, upload supporting documents in to DIS.



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# Filing CBMA Post Summary Corrections (PSC)

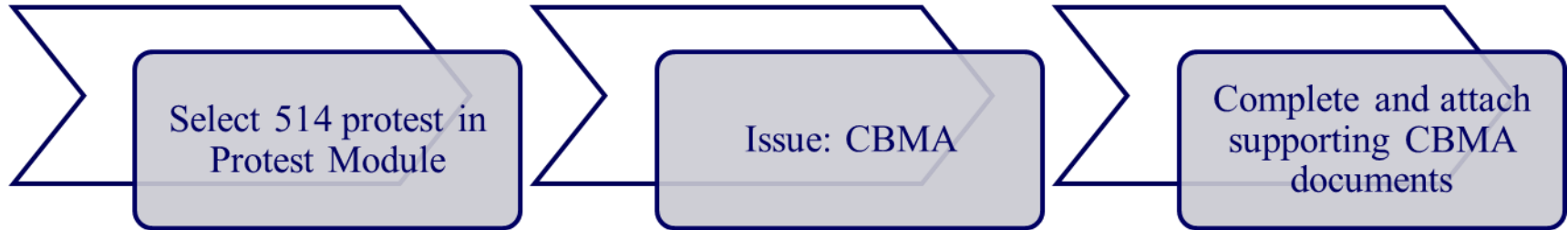


Input the value 'C' in the 'Product Claim Code' field in the Line Item Header Grouping (40-record) of the entry summary submission. The harmonized tariff record in ACE has been updated to reflect lower CBMA rates. After successful submission of the PSC, upload supporting documents in to DIS. Filer/Importer 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.

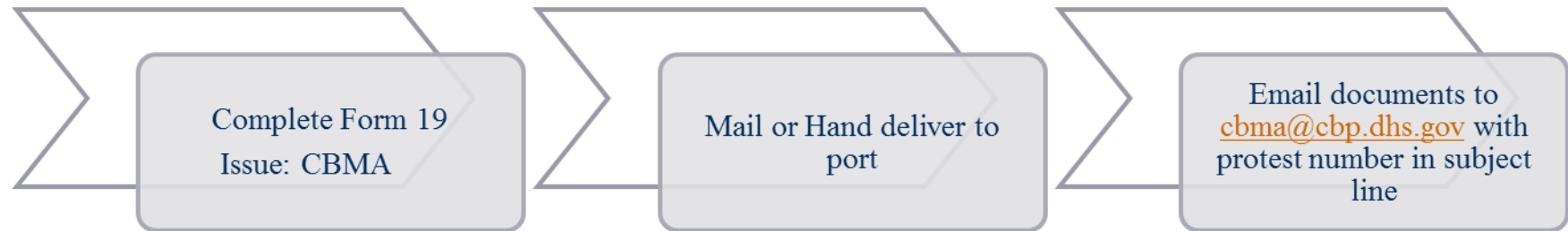


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# CMBA Electronic Protest



# CMBA Paper Protests



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# The Assignment Certification



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

## 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/manufacture 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.



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# 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.



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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	\$18.00	1000	\$18,000.00	\$18,000.00	\$2,000.00	8000000	500000	5500000	AleWorx	WorxGroup	WorxGroup
12345678910	2	12345-123456		Wine	\$1.00	2000	\$2,140.00	\$140.00	\$2,000.00	3000	2000	1000	WineWorx	WorxGroup	WineWorx
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	\$26,880.00	\$320.00	5000	5000	0	Spirits United	Spirits United	Spirits United
12345678920	1	12345-123456		Beer	\$18.00	1000	\$18,000.00	\$18,000.00	\$2,000.00	8000000	501000	5499000	AleWorx	WorxGroup	WorxGroup
12345678920	2	12345-123456		Beer	\$18.00	2000	\$36,000.00	\$32,000.00	\$4,000.00	8000000	503000	5497000	Aleworx	WorxGroup	WorxGroup
12345678930	3	12345-123456		Beer	\$18.00	3000	\$54,000.00	\$48,000.00	\$6,000.00	8000000	506000	5494000	Aleworx	WorxGroup	WorxGroup

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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# 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 (ie: 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.



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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@worx	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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# 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 “proofliters”)



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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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