



Excise 13 Alternating Proprietor Licensed Premises

GENERAL INFORMATION

This FYI explains the excise tax reporting requirements for Alternating Proprietor Licensed Premises. The terms tenant manufacturer and alternating proprietor shall have the same meaning.

COLORADO ALTERNATING PROPRIETOR LICENSED PREMISES

Only vinous, malt liquor, or fermented malt beverage manufacturers (licensed pursuant to §§ 44-4-104(1)(a), 44-3-402, 44-3-403, or 44-3-415, C.R.S.) are eligible to be licensed as alternating proprietors. When an alternating proprietor agreement is written between a host winery and an alternating proprietor, the manufacturers will be designated as either the host manufacturer or tenant manufacturer (alternating proprietor). The winery at which such manufacturing takes place will have a distinct and definite area designated as 'alternating proprietor licensed premises'. At all times, the tenant manufacturer must maintain possession, title, and control over raw materials and liquor making processes occurring on its designated alternating proprietor licensed premises. Tenant manufacturers must ensure that their manufactured product is not sold in the area licensed or defined as an alternating proprietor licensed premises.

INVENTORY REPORTING

The tenant manufacturer must inventory manufactured liquor product for state tax purposes prior to sale or shipment. The inventory will track the movement or transfer of raw materials or liquor when:

- introduced to the alternating proprietor licensed premises,
- moved from grain storage or crush pad to tank,
- moved from tank to barrel, when moved from barrel to bottling, and
- removed from the alternating proprietor licensed premises or sold on the licensed premises.

Tenant manufacturers must, by the 20th day of each month, file a report of the preceding month's alternating proprietor licensed premises operations on the Manufacturer Production Report for Alternating Proprietor Licensed Premises (DR 0447). The report must include:

- information and volume of product during the processes of pre-fermentation,
- fermentation, aging, bottling/labeling including information on product manufactured, inventoried and transferred from the alternative proprietor licensed premises.

Any transfer of bonded product must also be reported on form DR 0447. Form DR 0447 is a supplemental schedule and must be mailed with your return, form DR 0442.

TAX RATES

Tenant manufacturers must file on or before the 20th day of each month the Monthly Report of Excise Tax for Alcohol Beverages (DR 0442). Once the tenant manufacturer's product is transferred to its designated premises or sold, said product will be inventoried and reported on line 2 of form DR 0442. Excise tax is due when product is first sold. The tax rates for liquor upon first sale are:

- Vinous liquor tax is \$.0733 per liter sold, reported on line 16.
- Colorado Wine Development Fee is \$.01 per liter sold, reported on line 17.
- Colorado Winery Surcharge is calculated on form DR 0450 and is reported on lines 18-0 (liters) and 18-1 (tax) of your return, form DR 0442.
- The excise tax on malt liquor or fermented malt beverages is \$.08 per gallon, reported on line 16 of the appropriate column.

COMPLETED FORM

Beginning January 2019, the department will no longer mail preprinted forms DR 0442 each month. Taxpayers can file this return for free online at Colorado.gov/RevenueOnline. Alternatively, forms are available on the department's website at Colorado.gov/Tax. For timely processing of your return, please ensure you are using the current version online. For questions, please contact the Excise Tax Unit by email at dor_excisetax@state.co.us, or call 303-205-6848. A DR 0442 not filed and paid by the due date is considered late and is subject to penalty and interest. Send completed form(s) and payment to: Colorado Department of Revenue, Denver, CO 80261-0009.

FYIs provide general information concerning a variety of Colorado tax topics in simple and straightforward language. Although the FYIs represent a good faith effort to provide accurate and complete tax information, the information is not binding on the Colorado Department of Revenue, nor does it replace, alter, or supersede Colorado law and regulations. The Executive Director, who by statute is the only person having the authority to bind the Department, has not formally reviewed and/or approved these FYIs.