

The **7** common ways Brewers screw up the Report of Operations f5130.9

and how to get it right



#1

Beer Produced **vs** Received

Beer should not be reported as Produced by Fermentation on Line 2 if it wasn't physically produced in **that brewery** during **that reporting period**.

For example:

Beer received from other breweries or beer returned to the brewery **should not** be listed as Beer Produced by Fermentation.

#2

Beer Received in Bond

Line 5 should be used for **non tax-paid** Beer received from a different brewery **under the same ownership**. (eg. a pilot brewery)

Tax-paid beer from other breweries not under the same ownership does not need to be reported on the BROP.
(someone else has already accounted for it)

Non tax-paid beer from other breweries not under the same ownership **is not allowed, by law, in your brewery**.

#3

Beer Returned to the same Brewery

When tax-paid beer is returned back to the same brewery where it originally left, it should be reported on Line 7. This could **reduce** the overall amount of tax owed.

Tax-paid beer **from a different brewery** under same ownership goes on Line 8.

Tax-paid beer from other breweries not under the same ownership does not need to be reported on the BROP.
(someone else has already accounted for it)

#4

Beer Returned from a different Brewery

When tax-paid beer is returned to your brewery **from a different brewery under the same ownership**, it should be reported on Line 8. This will not reduce your tax owed.

Tax-paid beer returned back to the **same** brewery goes on Line 7.

Tax-paid beer from other breweries not under the same ownership does not need to be reported on the BROP.
(someone else has already accounted for it)

#5

'Tavern' vs 'On Premises' Consumption

If beer is **sold** at your brewery it is considered a Tavern.
This **sold** beer is reported on Line 15.

Tax is required to be paid. (uncle Sam wants his cut of the action)

Beer consumed at the brewery **without charge** is not taxable. It is considered 'On Premises Consumption' and should be reported on Line 21.

#6

Beer used in R&D or Testing

If beer is removed for research & development or testing it should be reported on Line 18.

An exact amount (in barrels) must be quantified.

(‘approximately’ is not in any auditors vocabulary)

No Estimating Allowed!

#7

Is it a Loss or a Shortage?

Confusion around these two terms can cause a lot of headache (and additional **tax** liability) so #7 deserves 2 slides...

Let's keep it simple.

Losses are “**known** quantities of beer lost” where

Shortages are “**unaccounted for** discrepancy” (but you are expected to have a good guess).

Let's continue...



#7 cont.

Is it a Loss or a Shortage?

Example: If you **know** that hops sucked up 10 gallons of IPA in secondary, that beer is a **Loss**. However, if 9 kegs are in the cooler and the inventory sheet says there should be 10, you've **found a Shortage**.

Shortages need to be adequately **explained** in the 'Remarks' section as to how you think they happened and what you plan to **do about it**, otherwise you could be held liable for the tax on the missing beer.

Losses do not need an explanation.



About TTB Tamer

TTB Tamer is a software tool that **significantly reduces** the amount of time (and the headaches) needed to manually fill out required paperwork.

All new accounts come with a **Free Trial**.

Check it out at www.ttbtamer.com.

Cheers!

