

IMPORTANT CHANGES FOR CRAFT BEVERAGE MODERNIZATION ACT (CBMA) FILING IN 2023

Updated October 2022

Type of change	Summary of the change
TTB will handle CBMA refund claims	As of January 1 st , 2023, CBMA administration will transfer from the US Customs & Border Protection (CBP) to the Treasury Department. Treasury intends for its Alcohol and Tobacco Tax and Trade Bureau (TTB) to administer the new CBMA import claims program.
CBP will collect the full tax rate at entry	Importers will no longer be able to file CBMA tax rates at time of entry. Importers will pay the full tax rate at entry on beer, wine, and distilled spirits to CBP upon entry and then can submit refund claims to the TTB for the difference between full tax rate paid and CBMA tax rate.
TTB will deploy an online filing system “myTTB” to collect information	TTB’s online filing system “myTTB” will have two modules for foreign producers and importers to submit information electronically, although proper documentation must be maintained in case of a review.
Foreign producers must register with TTB and submit company information and CBMA assignment information online View user guide at ttb.gov/alcohol/cbma-imports	<p>The TTB would require foreign producers to register with the TTB and receive a TTB-issued Foreign Producer ID and assign the CBMA tax benefits to importers.</p> <p>The registration with the TTB is required to verify that entities assigning CBMA tax benefits are legitimate and allow the TTB to collect certain ownership information to enforce controlled group rules that limit assignments when there is common ownership with other producers.</p> <p>The following information would be collected / required:</p> <ul style="list-style-type: none"> • The basic identifying information includes the business name and address, as well as name, title, country of residence, phone number, and email address for an employee or individual owner of the business who can serve as a TTB point of contact for the foreign producer. • The U.S. Food and Drug Administration (FDA) Food Facility Registration number(s).

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	<ul style="list-style-type: none"> Identifying information to enforce controlled group rules that limit assignments. Additional identifying information required for any individual or entity that owns 10 percent or more of the foreign producer being registered (see full text, section 27.256). Each CBMA tax assignment must include: <ul style="list-style-type: none"> calendar year for the CBMA tax assignment designated importer identified by TTB permit or reference number commodity (distilled spirits, wine or beer) category of reduced rate or credit being assigned quantity of proof gallons, wine gallons, or beer barrels assigned certain certifications and acknowledgments of compliance Foreign producers may assign CBMA tax benefits to multiple importers so long as a foreign producer's total assignments do not exceed the total quantities allowed by law, including taking into account controlled group limitations. Under the temporary regulations, once a foreign producer assigns CBMA tax benefits to an importer, the foreign producer may not revoke or reduce the assigned benefits unless the importer elects not to take the assignment. The TTB may revoke a foreign producer's eligibility for CBMA tax benefit if the producer or anyone acting on it's behalf provides erroneous or fraudulent information.
Time limit allowance for foreign producers to assign CBMA tax benefits	<p>Starting in 2023, CBMA assignments may be made for a calendar year starting no earlier than October 1st of the year prior and no later than December 31 of the calendar year for which the benefits would apply.</p> <p>After December 31, 2024, a foreign producer will not be allowed to assign, by any method, tax benefits for imports in 2024.</p>
Importers will submit CBMA refund claims through an importer claims interface that will be part of myTTB online	<p>Importers will use the online system to submit CBMA refund claims based on the foreign producer's assigned CBMA tax benefit.</p> <p>In order for a claim to be valid, a foreign producer must have assigned its entitlement to CBMA reduced rates to specific U.S. importers.</p>

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	<p>Claimants will be required to provide the TTB-issued Foreign Producer ID to link the producer's assignment to the importer's associated customs entry data and refund claim.</p> <p>Importers will also need to submit TTB import data, such as permit information, electronically at the time of importation in order improve TTB's ability to auto-validate claims.</p>
Importer's brokers will continue to flag CBMA entries	<p>For shipments entered on or after January 1st, 2023, the ACE CBMA claim indicator and associated data elements will continue to be required by TTB.</p> <p>For importers intending to file a CBMA refund claim on products entered for consumption on or after January 1, 2023, the claim indicator code "C" should continue to be included at time of entry or PSC.</p> <p>The following information will still be required:</p> <ul style="list-style-type: none"> • Controlled Group Name • Foreign Producer ID • Foreign Producer Name • CBMA Rate Designation Code • TTB Tax Rate Confirmation (ACE code)
CBMA claim refunds will be processed quarterly at minimum	<p>Importers may begin filing claims for each calendar quarter after that calendar quarter comes to an end. For example, claims for the first calendar quarter ending March 31st may be filed beginning on April 1st.</p> <p>CBMA importer refund claims will be treated in the same manner as overpayment of tax. The TTB will pay eligible claims along with any required interest.</p> <p>Claims for refund of an overpayment are to be filed by the taxpayer within three years from the time the return was filed or two years from the time the tax was paid, whichever period expires later.</p>
Importers will still need to maintain documentation for CBMA claims and submit upon TTB requests	<p>TTB also plans to require importers to maintain documentation substantiating their CBMA claims, similar to the documents that CBP currently requires importers to maintain.</p> <p><i>Although importers would not be required to upload these documents into MyTTB as part of a claim, TTB may require that importers submit this documentation to support TTB's review and analysis of pending claims, as needed and upon request.</i></p>

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	<i>TTB also will request these documents and rely on them during subsequent field audits and investigations. Importers are responsible for the validity of their claims and may incur additional liability if they submit claims based on fraudulent or inaccurate information.</i>
Hillebrand Gori can support your CBMA claim filing needs	<p>Hillebrand Gori understands that the rules to provide eligibility can be complex, but we have the experience and team in place that understands compliance with the Craft Beverage Modernization Act rules.</p> <p>Hillebrand Gori offers guidance and services to reduce the admin burden with CBMA claims.</p> <p>We will continue to update you if there are changes to announced procedures or the deployment timeline.</p>

View full text of Treasury CBMA Import Claims Report and instructions for submitting comments on the new record keeping and reporting requirements

<https://www.federalregister.gov/documents/2022/09/23/2022-20412/implementation-of-refund-procedures-for-craft-beverage-modernization-act-federal-excise-tax-benefits>

View information on the new process on the TTB website, including user guides for navigating the new foreign producer portal (available now) and the importer claims portal (when it is released).

<https://www.ttb.gov/alcohol/cbma-imports>

For questions on CBMA support and guidance offered by Hillebrand Gori, contact your local representative or visit www.hillebrandgori.com

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WHAT ARE CBMA TAX BENEFITS?

Product	Description
Wine	<p>For each foreign wine producer – up to \$451,700 in tax benefits (in the form of reduced tax rates) assigned to US importers and allocated among the first 750,000 wine gallons imported per calendar year, subject to controlled group limitations.</p> <p>That breaks down for each foreign wine producer as credits of \$1.00 per wine gallon on the first 30,000 wine gallons, 90 cents on the next 100,000 wine gallons, and 53.5 cents on the next 620,000 wine gallons imported.</p> <p>The tax credits apply to all wine tax rates, except for adjusted credits for imported wine eligible for the hard cider tax rate (6.2 cents, 5.6 cents, and 3.3 cents respectively).</p>
Distilled Spirits	<p>For each foreign distilled spirits operation - up to a total of \$4,620,800 in tax benefits (in the form of reduced tax rates) assigned to US importers among the first 22,230,000 proof gallons per calendar year, subject to controlled group limitations.</p> <p>That allocation breakdown on imports for each foreign producer is \$2.70 per proof gallon on the first 100,000 proof gallons imported, and \$13.34 per proof gallon on the next 22.13 million proof gallons.</p>
Beer	<p>Each foreign brewer receives up to a total of \$12,000,000 in tax benefits in the form of a reduced tax rate of \$16 per barrel assignable to U.S. Importers on the first 6,000,000 barrels produced by that brewer and imported into the United States in a calendar year, subject to controlled group limitations.</p>

View full guide of alcoholic import standard and CBMA tax rates

<https://www.ttb.gov/tax-audit/tax-and-fee-rates#wine>

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