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March 21, 2018

NOTICE

To: All Alabama Licensed Beer and/or Wine Distributors

Subject: New Informational Report and Reporting Requirements

Effective July 1, 2018, Act 2017-294 known as The Wholesale to Retail Accountability Program, or WRAP, requires each licensed beer or wine distributor (seller) to file an informational monthly report of any beer or wine sales made to retail licensees for which an exemption from sales or use tax collection was claimed at the time of the sale. A "seller" is a manufacturer, wholesaler, or distributor of beer, wine or tobacco products who sells to a retailer (licensee) in this state. The term also includes a wholesale club or warehouse club that sells tobacco or alcohol under a membership.

The first informational monthly report will cover sales occurring on or after July 1, 2018 through July 31, 2018 and is due on or before August 20, 2018. For each month after, the informational report will be due on or before the 20th day of the month next succeeding the month in which sales occur.

The WRAP reporting requirements found at Code of Alabama 1975, Section 40-23-260(d)(1) for the sales of any beer or wine made to licensees for which an exemption from sales or use tax collection was claimed at the time of the sales include the following:

- (1) Invoice date
- (2) Invoice number
- (3) Retailer's (licensee's) ABC Board beverage license number
- (4) Retailer's (licensee's) sales tax account number (optional)
- (5) Retailer's (licensee's) name
- (6) Retailer's (licensee's) street address
- (7) Retailer's (licensee's) city
- (8) Retailer's (licensee's) state
- (9) Retailer's (licensee's) zip code
- (10) Total invoice dollar amount.

Please note: The monthly informational report is in addition to the sales tax return and is not in place of the sales tax return. The sales tax return continues to be required to be filed each month. If you are a quarterly or annual filer, or have been issued an Exemption

Certificate, your sales tax return filing status will change to monthly beginning with the July 1, 2018 tax period due on or before August 20, 2018. You will report all sales each month and deduct your wholesale and exempt sales to arrive at taxable sales. You must file even if you have zero taxable sales.

VERY IMPORTANT: The WRAP informational sales report is to be filed electronically through My Alabama Taxes (“MAT”). **The report must be filed in a .CSV format.** Please see the enclosed instructions for converting an Excel spreadsheet into a .CSV file format. For your convenience, the Department has created a template to import information into MAT for submission. If using the template, the appropriate information from your data system may be copied and pasted in the template for importing into MAT.

PENALTIES: Per Code of Alabama 1975, Section 40-23-260(e), if a seller fails to properly file the required informational report in good faith on or before the due date, the following penalties will apply on or after January 1, 2019, and each reporting period thereafter:

- (1) The first violation will result in a written notice advising the seller of the non-compliance and the penalty for future non-compliance if the required informational reports are not filed within 30 days from the written notice.
- (2) The second violation will result in a penalty not to exceed five hundred dollars (\$500).
- (3) The third and each subsequent violation will result in a penalty not to exceed one thousand dollars (\$1,000).

For your convenience and to ensure accurate reporting, this office is available to verify ABC licensee numbers before July 1, 2018. Please contact the Sales and Use Tax Division, Special Projects Unit with any questions:

Mail: SALES AND USE TAX DIVISION
Special Projects Section
P.O. Box 327710
Montgomery, AL 36132-7710

Email: wrap@revenue.alabama.gov or Call: (334) 242-1297 or (334) 242-1575

For other WRAP related information, notices and a copy of Act 2017-294, please use this link: <https://revenue.alabama.gov/sales-use/wrap/>

Wholesale to Retail Accountability Program (WRAP)

Upload File Specifications for Beer & Wine Wholesalers

Act 2017-294 known as the Wholesale to Retail Accountability Program (WRAP) requires Beer and Wine wholesalers who make tax free sales of beer and wine to retailers within Alabama to report those sales to the Alabama Department of Revenue monthly beginning with the July 2018 filing period. The first report for the July 2018 filing period will be available to file on the My Alabama Taxes (MAT) website on August 1, 2018 and will be delinquent after August 20, 2018. Each monthly report thereafter will be due by the 20th of the month following the month in which the tax-free sale was made.

To file the WRAP reports on MAT each wholesaler will need to have an active Alabama Sales Tax Account and a MAT username and password. Wholesalers who do not already have a Sales Tax Account number may register for one at <https://myalabamataxes.alabama.gov>. Once logged into MAT the user will open the Sales Tax Account, select the filing period and select the “Sales for Resale” return type. From there, the information may be uploaded to the system via the Comma Separated Value (CSV) file format.

The Department is providing an Excel template that may be used to save the file in the proper CSV format to be uploaded to MAT. **THE DATA MUST BE SAVED TO CSV FORMAT BEFORE UPLOADING.** The template may be downloaded from the WRAP webpage at <https://revenue.alabama.gov/sales-use/wrap>. Developers may use the information below to provide a file export from any custom software that may be in use.

Beer and Wine WRAP Report File Specifications

The CSV file to be uploaded in MAT requires the following columns of data. Each row of the file represents each sales invoice. The first row of the file contains the column headings for reference. The data import routine will start with the second row of the file.

Excel Template Example:

| | A | B | C | D | E | F | G | H | I | J |
|---|--------------|----------------|-------------------------------|--|---------------------------|---------------------------|-----------------|------------------|---------------------|---|
| | Invoice Date | Invoice Number | Retailer's ABC License Number | Retailer's Sales Tax Account Number (optional) | Retailer's Name | Retailer's Street Address | Retailer's City | Retailer's State | Retailer's Zip Code | Retailer's Total Dollar Amount of Invoice |
| 1 | 07/01/2018 | 45656545 | 012254551 | 4500 12345 | Franks Quick Mart | 123 Main St | Montgomery | AL | 36130 | 2345.50 |
| 2 | 07/02/2018 | 45656546 | 000122551 | R001234555 | Todd's Restaurant & Grill | 456 2nd St | Montgomery | AL | 36130 | 1545.75 |
| 3 | 07/02/2018 | 45656547 | 001225451 | R000456789 | River Lounge | 789 River Road | Montgomery | AL | 36130 | 800.55 |

File Layout Details:

| Column | Field Name | Field Length | Data Type | Format |
|--------|--------------------------|---------------------|-----------|---|
| 1 | Invoice Date | 10 characters | Date | MM/DD/CCYY |
| 2 | Invoice Number | Up to 35 characters | Text | |
| 3 | ABC License Number | 9 characters | Text | NNNNNNNNNN |
| 4 | Sales Tax Account Number | 10 characters | Text | R000000000 or 0000 00000 or blank |

| | | | | |
|----|----------------|---------------------|---------|----------------------------|
| 5 | Name | Up to 35 characters | Text | |
| 6 | Street Address | Up to 35 characters | Text | |
| 7 | City | Up to 35 characters | Text | |
| 8 | State | 2 characters | Text | Two Character Abbreviation |
| 9 | Zip Code | 5 characters | Numeric | ##### |
| 10 | Invoice Amount | Up to 13 characters | Numeric | ###.## (no commas) |

Invoice Date: Enter the invoice date in the format “MM/DD/CCYY”.

Invoice Number: Enter the invoice number. Any combination of letters and numbers up to 35 characters can be entered.

Retailer’s ABC License Number: This is the 9-digit ABC License number as shown on the retailer’s ABC License certificate.

Retailer’s Sales Tax Account Number (Optional): Enter the retailer’s Sales Tax account number. The Sales Tax number is 10 digits long and can contain a space. Omit the “SLS-“ prefix. Include any leading zeros.

Sales Tax Numbers issued before June 2006 will have 4 digits followed by a space then 5 more digits (0000 00000). The first four digits could contain letters.

Sales Tax Numbers issued from June 2006 forward will start with the letter “R” and will be followed by 9 additional digits (R000000000).

Retailer’s Name: Enter the retailer’s Trade Name as listed on the ABC License. Numbers and letters up to 35 characters may be entered in this field.

Retailer’s Street Address: Enter the street address of the business location. Numbers and letters up to 35 characters may be entered in this field.

Retailer’s City: Enter the city name of the business location. Numbers and letters up to 35 characters may be entered in this field.

Retailer’s State: Enter the standard two-digit state abbreviation of the business location.

Retailer’s Zip Code: Enter the 5-digit zip code of the business location.

Dollar Amount of Invoice: Enter the total dollar amount of the invoice. Up to 13 digits may be entered including the decimal point and 2 decimal places. The decimal point and two decimal places should be included. Do not include commas in the invoice amount.