

METROPOLITAN EXPOSITION-RECREATION COMMISSION

RESOLUTION NO. 108

The Metropolitan Exposition-Recreation Commission finds:

WHEREAS Fine Host, the exclusive caterer/concessionaire for the Metro Exposition-Recreation Commission at Oregon Convention Center, Memorial Coliseum, and Civic Stadium, has requested a price increase for alcohol beverage and tobacco items currently being sold at the aforementioned facilities, to become effective prior to January 24, 1991, in order to offset the additional costs incurred by the passage of the Federal Omnibus Budget Reconciliation Act of 1990 (public law 101-508), and the increase of costs imposed by the alcohol beverage distributors.

BE IT RESOLVED:

1. That the Federal Omnibus Budget Reconciliation Act of 1990 (public law 101-508), imposed a floor stock tax and increased the federal excise tax rates on wine, beer, distilled spirits, tobacco products, and imported perfumes containing Ethel Alcohol, effective January 1, 1991;

2. That a floor stock tax is a one-time excise tax placed on a commodity undergoing a tax increase. This floor stock tax applies to the following articles held for sale on January 1, 1991:


Distilled spirits,  
Wine,  
Beer,  
Imported perfumes, and  
Cigarettes;

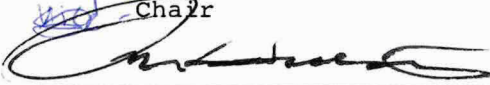
3. That the alcohol beverage distributors serving the aforementioned facilities have imposed a substantial price increase effective January 1, 1991;

4. That the Metro E-R Commission approves the alcohol and tobacco price increases proposed by Fine Host, and recommended for approval by Staff (attached), to become effective prior to January 24, 1991.

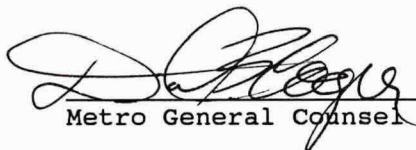
BE IT THEREFORE RESOLVED that the Metropolitan Exposition-Recreation Commission approves the passage of Resolution No. 107.

Passed by the Commission on January 9, 1991.

  
\_\_\_\_\_  
Chair

  
\_\_\_\_\_  
Secretary-Treasurer

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Metro General Counsel



Memorial Coliseum Complex

Civic Stadium

January 7, 1991

TO: M.E.R. Commission

FROM: Tim Fennell *TF*

SUBJECT: ALCOHOL TAX INCREASE/PROPOSED ALCOHOL BEVERAGE PRICE INCREASES

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The Omnibus Budget Reconciliation Act (see attached) enacted on November, 1990 increased the rate of federal excise tax on all alcoholic beverages, tobacco products, and certain imported perfumes effective January 1, 1991.

As a transition to the new tax rates the law also imposes a one time floor stock tax. A floor stock tax is a tax placed on a commodity undergoing a tax increase.

Consequently, not only did a substantial tax increase take effect January 1, but the alcohol and tobacco products in inventory prior to January 1 are subject to a one time tax. Also, the alcohol distributors scheduled a substantial price increase of their own scheduled to coincide with the federal excise tax increase.

Attached is a proposal from Fine Host to increase their sales price of alcoholic beverages .25 per serving and tobacco .25 per pack. It is staff's recommendation to approve Fine Host's proposal with an effective date no later than January 24.

TF:jl

cc: Lee Fehrenkamp  
Dominic Buffetta  
Jeff Blosser



JAN 5 1991

December 31, 1990

TO: Tim Fennell  
FROM: Gary L. Shipp  
SUBJECT: PRICE INCREASES FOR ALCOHOLIC BEVERAGES

As you may already know, Congress recently passed a Federal Tax Legislation. This Legislation will result in a tax increase of 11.8%, resulting in a substantial burden on the alcohol drinking consumer. Not only does the tax go into affect on January 1, 1991, but all alcohol distributors have also had an increase in the price of their product equal to the same percentage, to cover their additional costs; fuel, labor and marketing support. These additional increases will result in a cost increase of over \$38,500 for the Coliseum/ Stadium, and an estimated increase of \$3,500 for the Oregon Convention Center; for a total increase of over \$42,000.

We have also had a 3.7% increase in labor, due to the minimum wage being increased to \$4.75 hourly. This wage increase will result in over \$4,000 in additional wages annually paid by Fine Host. Also, the recent settlement with Local 9 will cost \$37,400 the first year.

As a transition to the new tax rates, the law imposes a "floor stock tax." This tax is a one-time excise tax placed on a commodity undergoing an increase. This floor stock tax applies to the following articles held for sale on January 1, 1991; Distilled Spirits, Wine, Beer, Imported Perfume, and Cigarettes. This tax should amount to an additional \$1,200.

It is Fine Host's proposal to raise the price of all alcoholic beverages an additional .25¢. This would result in an estimated gross sales increase of \$94,000. This amount would help to offset the nearly \$80,000 of the combined increases listed above.

Thank you for your immediate attention with this matter, for I feel that we need to make this change as soon as possible, as all other businesses that sell alcohol (taverns, grocery stores, etc.) have already implemented their increases. Because of this, the public is already aware of the increases, too.

GS:ab

cc Lee Fehrenkamp  
Dominc Buffetta  
Dennis Beaudoin

EXCISE TAX INCREASE FOR LIQUOR

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PRODUCT	OLD COST	NEW COST	TOTAL COST INCREASE	INCREASE %
=====	=====	=====	=====	=====
CARDI RUM	\$8.90	\$10.50	\$1.60	17.98%
SMIRNOFF	\$8.20	\$9.40	\$1.20	14.63%
TRIPLE SEC	\$6.85	\$7.60	\$0.75	10.95%
CUERVO GOLD	\$12.50	\$14.25	\$1.75	14.00%
JACK DANIELS	\$13.45	\$14.65	\$1.20	8.92%
GIN (GORDON'S)	\$7.75	\$8.75	\$1.00	12.90%
WHITE LABEL	\$17.65	\$19.50	\$1.85	10.48%
SEG. SEVEN	\$8.70	\$9.60	\$0.90	10.34%
SEG. V.O.	\$11.85	\$12.85	\$1.00	8.44%
KAHLUA	\$17.85	\$19.90	\$2.05	11.48%
BUSHMILL	\$17.75	\$19.10	\$1.35	7.61%
SCHNAPPS	\$7.50	\$8.50	\$1.00	13.33%
CHRIS BROS.	\$8.95	\$10.05	\$1.10	12.29%
RED & BLUE CURACAO	\$6.95	\$8.95	\$2.00	28.78%

EXCISE TAX INCREASE FOR TOBACCO

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PRODUCT	OLD COST	NEW COST	INCREASE	%
=====	=====	=====	=====	=====
CIGARETTES	\$12.50	\$13.94	\$1.44	11.52%

EXCISE TAX INCREASE FOR BEER

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PRODUCT	OLD COST	NEW COST	TAX INCREASE	DISTRIBUTOR INCREASE	INCREASE %
=====	=====	=====	=====	=====	=====
BUDWEISER 1/2 BBL	\$38.00	\$46.50	\$4.50	\$4.00	22.37%
MILLER 1/2 BBL	\$33.00	\$43.50	\$4.50	\$6.00	31.82%
HENRY'S 1/2 BBL	\$40.50	\$50.00	\$4.50	\$5.00	23.46%
RANIER 1/2 BBL	\$29.50	\$39.00	\$4.50	\$5.00	32.20%
COORS 1/2 BBL	\$36.00	\$44.50	\$4.50	\$4.00	23.61%
BUDWEISER CASE	\$15.50	\$17.40	\$0.65	\$1.25	12.26%
MILLER CASE	\$11.76	\$13.06	\$0.65	\$0.65	11.05%
HENRY'S CASE	\$12.24	\$13.74	\$0.65	\$0.85	12.25%
HAMM'S CASE - 16 o.z	\$11.73	\$13.02	\$0.65	\$0.64	11.00%

PROPOSED PRICE INCREASE

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PRODUCT	CURRENT PRICE	PROPOSED PRICE	INCREASE %
=====	=====	=====	=====
BEER CUP 16 o.z	\$2.50	\$2.75	10.00%
BEER CUP 20 o.z	\$3.25	\$3.50	7.69%
MICRO BEER 16 o.z	\$3.00	\$3.25	8.33%
MICRO BEER 20 o.z	\$3.75	\$4.00	6.67%
IMPORTED BEER	\$3.50	\$3.75	7.14%
WINE CUP 7 o.z	\$2.50	\$2.75	10.00%
WINE COOLER	\$2.75	\$3.00	9.09%
LIQUOR CUP 10 o.z	\$3.00	\$3.25	8.33%
TOBACCO	\$2.00	\$2.25	12.50%



DIRECTOR

DEPARTMENT OF THE TREASURY  
BUREAU OF ALCOHOL, TOBACCO AND FIREARMS  
WASHINGTON, D.C. 20226  
NOVEMBER 9, 1990

MESSAGE FROM THE DIRECTOR

TO: All Alcohol and Tobacco Producers, Wholesalers, Importers, Retailers, and Others Concerned

The Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508) imposed a floor stocks tax and increased the Federal excise tax rates on wine, beer, distilled spirits, tobacco products, and imported perfumes containing ethyl alcohol, effective January 1, 1991.

In order to comply with the new law, you must inventory all taxpaid or tax determined wine, beer, distilled spirits, cigarettes, or imported perfumes held for sale on January 1, 1991. You must also file a floor stocks tax return and pay any floor stocks tax due by June 28, 1991.

This package contains an ATF Form 5000.28, Floor Stocks Tax Return, detailed instructions, and a return envelope for your use. Please advise any suppliers or customers who may be unaware of the floor stocks tax obligation to contact us for the appropriate forms and instructions.

We appreciate the efforts you make to ensure that your inventory is accurate and timely taken, and that your floor stocks tax return is accurate and timely filed, even if no tax is due.

Contact the appropriate ATF regional office listed in the supplemental instructions if you have any questions about the floor stocks tax.

*Stephen E. Higgins*  
Director

SUPPLEMENTAL FLOOR STOCKS TAX INSTRUCTIONS

INTRODUCTION

The Omnibus Budget Reconciliation Act (Public Law 101-508) enacted on November, 1990, increased the rate of Federal excise tax on alcoholic beverages, tobacco products, and imported perfumes containing ethyl alcohol effective January 1, 1991. All such products removed from bonded premises on or after the effective date will be subject to an increased tax rate.

As a transition to the new tax rates, the law imposes a floor stocks tax. A floor stocks tax is a one-time excise tax placed on a commodity undergoing a tax increase. This floor stocks tax applies to the following articles held for sale on January 1, 1991:

- distilled spirits
- wine
- beer
- imported perfume
- cigarettes

Who Must Take Inventory and File a Return. You must take an inventory and file a floor stocks tax return, if you:

hold taxpaid or tax determined wine, beer, distilled spirits, or cigarettes for sale at wholesale or retail, or

hold taxpaid or tax determined imported perfumes containing ethyl alcohol for sale at wholesale (or retail if held at a location other than a retail premises).

When to Take the Inventory. Inventory all products subject to floor stocks tax which you are holding for sale as of the beginning of business January 1, 1991.

When the Tax Return and Payment is Due. Your floor stocks tax return is due by June 30, 1991. Since that date is a Sunday, submit your return and remittance by Friday, June 28, 1991.

Tax Rates. The Federal floor stocks tax rates on wine, beer, distilled spirits, cigarettes, and imported perfumes containing ethyl alcohol are as follows:

Product	Floor Stocks Tax Rate
Wine (except Champagne and other sparkling wines)	\$0.90 per wine gallon (standard U.S. gallon)
Beer	\$9.00 per barrel (31 gallons)
Distilled spirits	\$1.00 per proof gallon
Imported perfumes	\$1.00 per wine gallon
Small cigarettes	\$2.00 per thousand
Large cigarettes	\$4.20 per thousand

Exemptions. Persons exempt from the tax are still required to file a return. If you meet an exemption specified below, you are not required to pay floor stocks tax for that product(s).

- Total amount of alcohol (distilled spirits, wine, beer and imported perfume) held for sale on January 1, 1991 does not exceed 500 gallons.



# FLOOR STOCKS TAX DUE

## Wine, Beer, Distilled Spirits & Cigarettes

The tax on these items is increased effective January 1, 1991.

Anyone who sells Wine, Beer, Distilled Spirits or Cigarettes must:

- Take inventory of items in stock as of January 1, 1991.
- Determine what Floor Stocks Tax is due.
- Complete a tax return, ATF Form 5000.28, Floor Stocks Tax Return.
- Mail tax return and payment by June 28, 1991.

The Bureau of Alcohol, Tobacco and Firearms (ATF) is responsible for the collection of Floor Stocks Tax. ATF will mail out instructions and tax returns to all persons or businesses which we know to be in the business of selling these products. However, there may be some persons who do not receive the instructions and return.

Contact your regional ATF office if you do not receive the instructions and tax return by December 15, 1990, or if you need information about the Floor Stocks Tax.

Any person or business who owes Floor Stocks Tax is responsible for taking inventory, filing a tax return and paying the increase in taxes, whether or not they have

The Federal Excise Tax has increased as follows:

Type Product	Method Calculated	Current Tax	New Tax	Floor Stocks Tax Amt. Increased
<b>Beer</b> Per Barrel (31 gallons)				
Regular Rate		\$9	\$18	\$9
Reduced Rate		\$7	\$7	\$0
<b>Wine</b> Per Wine Gallon				
14% & Under		\$0.17	\$1.07	\$0.90
Over 14% to 21%		\$0.67	\$1.57	\$0.90
Over 21% to 24%		\$2.25	\$3.15	\$0.90
Natural Sparkling		\$3.40	\$3.40	\$0
Artificially Carbonated		\$2.40	\$3.30	\$0.90
<b>Distilled Spirits</b> Per Proof Gallon				
		\$12.50	\$13.50	\$1
<b>Cigarettes</b> Per 1000				
Small		\$8	\$10	\$2
Large		\$16.80	\$21	\$4.20

Reduced rate on beer limited to first 60,000 barrels per year of a small brewer.  
Rate for wine is reduced by up to a \$0.90 credit for first 100,000 wine gallons per year taxably removed from a small winery.  
Rates were also increased on cigars, pipe tobacco, cigarette papers, snuff and chewing tobacco, but no floor stocks tax was imposed on these products. Tobacco products will increase similarly again in 1993.

received the instructions and tax return during ATF's mailing. Penalties and interest will be added for failing to file or failing to pay, as well as for late filing or late payment.

### • Regional Offices of the Bureau of Alcohol, Tobacco and Firearms:

Atlanta (404) 679-5080  
2600 Century Parkway, NE, Suite 305  
Atlanta, GA 30345

Cincinnati (513) 684-3335  
550 Main St., Room 6519  
Federal Office Building  
Cincinnati, OH 45202

Dallas (214) 767-2277  
1114 Commerce St., 7th Floor  
Dallas, TX 75242

Philadelphia (215) 597-2238  
841 Chestnut Street, Room 380  
Philadelphia, PA 19107

San Francisco (415) 744-7011  
221 Main Street, 11th Floor  
San Francisco, CA 94105

Fax equipment is available at all regional offices.

**Shortcuts for Spirits Inventory:** If the contents of cases of distilled spirits are marked in proof gallons, record and use that figure (times the number of cases) as your inventory. No further conversion will be necessary.

If a distilled spirits product is not marked with proof gallons, the case should show the total contents in liters. Use that figure times the number of cases to save time. If the case is not marked, standard case equivalents are shown in Table 1. Also in this table are conversion steps for computing contents of partial and nonstandard cases.

**Distilled Spirits Proof Gallon Conversion.** If proof gallons are not marked on the case, find the alcohol content in the left-hand column of the table. Multiply the total liters by the conversion factor which appears next to the alcohol content. This will give you the total proof gallons for these products. Repeat the process for each product.

The last step in the distilled spirits inventory is to add each group of items and consolidated figures to determine the total inventory. Round any decimals to nearest tenths and enter the total inventory on item 7, column (b) of the tax return.

**CONVERSION CHART—LITERS TO PROOF GALLONS  
(Distilled Spirits)**

Alcohol Content		
Proof	% by Vol	Conversion Factor
25	12.5	0.0860
30	15	0.07920
35	17.5	0.09240
42	21	0.11088
48	24	0.12672
52	26	0.13728
56	28	0.14784
60	30	0.15840
70	35	0.18480
75	37.5	0.19800
78	39	0.20592
80	40	0.21120
86	43	0.22704
86.8	43.4	0.22915
90	45	0.23760
90.4	45.2	0.23868
95	47.5	0.25080
100	50	0.26400
101	50.5	0.26664
151	75.5	0.39864
190	95	0.50160

**Steps For Conversion of Alcohol Contents Not Listed**

- Quantity in liters x 0.264 = quantity in gallons
- % alcohol by volume x 2 = proof (if proof is not marked)
- Quantity in gallons x proof ÷ 100 = proof gallons

**WINE INVENTORY  
- SPECIFIC INSTRUCTIONS**

**What to Inventory.** You may combine the various types of wine (table wine, sherry, aperitifs, artificially carbonated wine, and wine-based products, such as wine coolers) in your wine

inventory. The floor stocks tax is the same for all of these products.

The tax on sparkling wines, such as champagne, did not increase, so these products should not be counted. Also there is no Federal excise taxes on nonalcoholic wines, so be sure not to include them in your inventory.

**Standard of Measurement.** Wine is taxed by the wine gallon, which is a standard U.S. gallon. If your stock includes wine coolers or other wine products packaged in fractions of a gallon (ounces, pints or quarts), count these products separately. Include any wine in metric sizes which has case markings showing gallons. Multiply the number of cases by the gallons per case for each item. Use Table 1 if the case is not marked. Subtotal these products in gallons.

The balance of your inventory will be in metric sizes. This will require an extra step for conversion to gallons. First, get the total of all wines in metric sizes, expressed in liters (total milliliters (ml) divided by 1000). Multiply this figure by the conversion factor (0.264 per liter) for a subtotal.

Combine the two subtotals you obtained using the methods described above, to get the wine inventory total in gallons. Round this figure to tenths of a gallon. Enter the total inventory in item 8, column (b) of the tax return.

**BEER INVENTORY  
- SPECIFIC INSTRUCTIONS**

**What to Inventory.** Count beer, ale, porter, stout, sake, malt liquor, malt beverage coolers, and any similar products in this group. Do not count malta, "near beer" or similar products if they contain less than 0.5% alcohol by volume. If you are not sure, check the label. It should say "alcohol free", "non-alcoholic", or something similar.

**Standard of Measurement.** Beer tax is based on a 31 gallon barrel. Since much of your stock will be in ounces, pints and quarts, convert each line item to gallons. Use Table 2, and subtotal these products in gallons. If you also have metric sizes in stock, make a separate inventory. Subtotal these products in liters and multiply the total liters by .264 to convert to gallons. Combine this figure with the first subtotal, and divide the total figure by 31 to get barrels.

You may have some beer in kegs which are rated in fractions of a barrel, such as 1/4 or 1/2 barrel. Record these products separately by size. Multiply the number of containers by the rated size. For instance, if you have 3 one-half barrel kegs, your total would be 1.5 barrels.

Combine all subtotals you obtained to get total inventory. Round this figure to tenths of a barrel. Enter the total inventory in item 9, column (b) of the tax return.

**Small Domestic Brewer Exemption.** If you are a small domestic producer (produce less than 2,000,000 barrels per year in and out of the United States) and have removed, taxpaid or tax determined, more than 60,000 barrels during 1990, you must pay floor stocks tax on any beer over the 60,000 barrels that are remaining in your taxpaid inventory.

You may use the following Small Domestic Beer Producer Worksheet to determine if any of your taxable removals are exempt from floor stocks tax.



DEPARTMENT OF THE TREASURY - BUREAU OF ALCOHOL, TOBACCO AND FIREARMS  
**FLOOR STOCKS TAX RETURN**  
 (See Instructions)

**SECTION I - TAXPAYER IDENTIFYING INFORMATION**

1. NAME AND ADDRESS:	2. TAXPAYER IDENTIFICATION NU
EXAMPLE	3. NUMBER OF LOCATIONS COVERED BY THIS RETURN:

**SECTION II - EXEMPTIONS** (Check the appropriate block(s))

- 4.  I am not engaged in a business involving DISTILLED SPIRITS, WINE, BEER, IMPORTED PERFUME OR CIGARETTES liable for floor stocks tax. Do not complete Section III or IV, if you checked this block. Complete only Section V (Items 18, 19 and 20).
- 5.  The total (DISTILLED SPIRITS, WINE, BEER AND IMPORTED PERFUME) held by me, on January 1, 1991, does not exceed 500 wine gallons (standard U.S. gallons). Do not complete items 7 through 10 of Section III if you checked this block.
- 6.  The total large and small (CIGARETTES) held by me, on January 1, 1991, does not exceed 30,000 cigarettes (excluding vending machines). Do not complete items 11 through 13 of Section III if you checked this block.

**SECTION III - CALCULATION OF TAXES**

Compute tax in column (f) by multiplying inventory total, column (b), by rate of tax in column (c) minus any tax credits shown in column (e).

ALCOHOL					
ARTICLE (a)	INVENTORY TOTAL (As of 1/1/91) (See Instructions) (b)	FLOOR STOCKS TAX RATE (c)	COMPUTED TAX (d)	TAX CREDIT (See Instructions) (e)	ADJU: TAX ((d) (f)
7. DISTILLED SPIRITS (Report in Proof Gallons)		\$1.00			
8. WINE (Report in Wine Gallons)		\$.90			
9. BEER (Report in Barrels)		\$.00			
10. IMPORTED PERFUME (Report in Wine Gallons)		\$1.00			
CIGARETTES					
11. SMALL CIGARETTES (Class A) (All Standard Sizes, including 100mm and 120mm)		\$2. Per Thousand .002 x Column (b)			
12. LARGE CIGARETTES (Class B) (Weighing More Than 3 Pounds Per Thousand)		\$4.20 Per Thousand .0042 x Column (b)			
13. TOTAL COMPUTED CIGARETTE TAX (Add Lines 11(d) and 12(d))			→		

**SECTION IV - TAX AND PAYMENT SUMMARY**

14. TOTAL TAX DUE (Lines 7(f) through 13(f))      PAY BY JUNE 28, 1991.      →

15. METHOD OF PAYMENT →     EFT     CHECK     MONEY ORDER     OTHER (Specify)

MAKE CHECK OR MONEY ORDER PAYABLE TO "BUREAU OF ALCOHOL, TOBACCO AND FIREARMS." WRITE YOUR TAXPAYER IDENTIFICATION NUMBER ON THE CHECK AND SEND IT ALONG WITH THE TAX RETURN IN THE RETURN ENVELOPE, OR ADDRESS ENVELOPE TO BUREAU OF ATF, P.O. BOX 371967, PITTSBURGH, PA 152

16. OFFICIAL USE ONLY      FP      FP      I

17. OFFICIAL USE ONLY

**SECTION V - TAXPAYER CERTIFICATION**

Under penalties of perjury, I declare that I have examined this return (including any supporting inventory records and accompanying statements) and best of my knowledge and belief it is true, correct, complete, and includes all tax liabilities required by law or regulations to be reported.

18. SIGNATURE	19. TITLE	20. DA
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**TAX CREDITS**

**Dealers.** Wholesale and retail dealers including producers liable for floor stocks tax will be allowed the following credits:

- \$240 for distilled spirits/imported perfume
- \$270 for wine
- \$ 87 for beer
- \$ 60 for cigarettes

**CREDITS CANNOT EXCEED THE AMOUNT DUE.** Enter the appropriate credit(s) in items 7 through 9 and 13, column (e), on ATF F 5000.28, Floor Stocks Tax Return. The \$60 cigarette tax credit must be taken on the combined floor stocks tax owed on small and large cigarettes. The credit for each product may be taken only once by the combined members of a controlled group. The credit may be taken in full by one member of the controlled group, or divided among the members.

**Small Domestic Wine Producers.** A small domestic wine producer is a producer of not more than 250,000 gallons of wine during a calendar year. Such small wine producers may take a tax credit on their 1991 floor stocks tax return based on their 1990 taxable removals. A tax credit based on the first 100,000 gallons (other than champagne and other sparkling wine) removed taxpaid or tax determined is allowed against the floor stocks tax.

The maximum credit that is authorized for producers of less than 150,000 wine gallons is \$.90 per wine gallon. This tax credit is then reduced by 1 percent for each 1,000 gallons of wine produced in excess of 150,000 gallons of wine produced during calendar year 1990.

Proprietors who operate more than one bonded wine premises (including control groups) must include the combined production of wine at all their bonded wine premises in determining eligibility for the small producer tax credit.

Small wineries may also take the additional \$270 tax credit discussed above. Either or both tax credits may be divided among the various member of a controlled group.

If you meet the definition of a small domestic wine producer, you may use the following worksheet to determine if you are eligible for the small producer tax credit. If you are eligible for the tax credit, enter the figure on item 8, column (e) of the tax return.

**WORKSHEET FOR SMALL DOMESTIC WINE  
PRODUCER CREDIT**

NOTICE- The credit given to small domestic wine producers is only allowed under certain conditions. Use this worksheet ONLY if:

- (1) You are a DOMESTIC PRODUCER OF WINE, and
- (2) You produced not more than 250,000 wine gallons of wine during calendar year 1990 (including champagne and sparkling wine).

**PART A - INVENTORY ELIGIBLE FOR CREDIT**

1. Enter the total wine gallons of wine which you removed for consumption or sale during calendar year 1990 (excluding champagne and sparkling wine). \_\_\_\_\_
2. Enter your total taxpaid wine gallons in inventory on 1/1/91 from line 8(b) of your floor stocks tax return. \_\_\_\_\_
3. Subtract line 2 from line 1. Enter the result. If zero or less, enter zero. If the result is "100,000" or more, STOP here; you are not eligible for this credit. \_\_\_\_\_
4. Subtract the amount on line 3 from "100,000" and enter the result (100,000 - amount on line 3). \_\_\_\_\_
5. Compare line 2 and 4 and enter the LESSER amount. \_\_\_\_\_

**PART B - MAXIMUM CREDIT BEFORE REDUCTION**

6. Maximum credit per wine gallon. \$ .90
7. Multiply line 5 by line 6 and enter the result. \$ \_\_\_\_\_

**PART C - CREDIT REDUCTION**

8. Enter total wine gallons of wine PRODUCED during calendar year 1990 (including champagne and sparkling wine). \_\_\_\_\_
9. Credit Reduction Threshold. 150,000
10. Subtract line 9 from line 8. Enter the result. If the result is zero or less, enter zero. \_\_\_\_\_
11. Multiply the amount on line 10 by .00001 (.001%) and enter the result using two decimal places. \_\_\_\_\_
12. Multiply the amount on line 7 by line 11 and enter the result. If the result is zero, enter zero. \$ \_\_\_\_\_
13. Subtract the amount on line 12 from line 7. Enter the result. This is the maximum small domestic wine producer credit which you may apply against wine floor stocks taxes. Enter this figure in item 8, Column (e) of the return. \$ \_\_\_\_\_