

NYS Brewers Association

<https://newyorkcraftbeer.com/2022/01/let-me-tell-ya-about-my-best-friend-form-mt-456/>

LET ME TELL YA ABOUT MY BEST FRIEND: FORM MT-456

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David Oksenhorn



David A. Oksenhorn is a senior manager in Accounting Services at Marcum LLP in Long Island. He is an active member of Marcum's Food and Beverage Services Group. In his 13 years of experience, David has advised clients in manufacturing, professional services, and other various industries. He primarily works with closely-held businesses, providing financial statement reporting, tax compliance and planning, and business consulting services.

If you're running a brewery and you file excise taxes on an annual basis, you may not be aware that your old familiar friend, Form MT-50 (the Beer Tax Return), was replaced in January 2021. He was given a makeover and renamed Form MT-456. However, do not fret. While he's looking a little more robust, probably to try and live up to the additional numeral added to his name, he's more or less the same lovable guy.

If you compare MT-50 and MT-456 you will see plenty of similarities. Both require filers to report production amounts in gallons (including amount on hand at the beginning of the reporting period, amount produced during the reporting period, and amount on hand at the end of the reporting period). The MT-456 form can also be used for other alcoholic beverage production reporting (i.e., wine and cider) so make sure to complete the applicable column for beer and any other alcoholic beverages you produce.

MT-456 can also be used for other items that may be applicable for reporting, depending on the brewery's activities (i.e., production brewery and/or contract brewing purchases). This includes reporting purchases of beer in gallons, where the excise tax has already been paid.

For instance, generally in a contract brewing arrangement, the contract brewery pays the excise tax so the brewery buying the beer just needs to report it as tax-paid purchases. However, you should consult any agreement in place to ensure that is the case.

While the format of MT-456 is similar to its predecessor, one change that may create confusion is line five (purchases used for production). It relates to the purchase of alcoholic beverages bought during the reporting period for use in rectifying, distilling, blending, or fortifying. This is not applicable to the vast majority of breweries, so no entry may be required here. But at first glance at the line itself and the detailed instructions, you may think otherwise.

Hopefully you're now feeling a little more at ease with your new pal, MT-456. But if not, no worries, he's warm-hearted and will love you 'til the end. And he's provided you a nice love letter for your reading pleasure (aka, detailed instructions about the form): https://www.tax.ny.gov/pdf/current_forms/abt/mt456i.pdf.

And for those of you who haven't had the pleasure of mingling with New York State excise tax filings, remember that all distributors of alcoholic beverages in New York State must be registered with the Tax Department for the alcoholic beverages tax (ABT) and you must file a tax return each month or annually, depending on eligibility, even if no tax is due.

But wait, I'm a brewery, not a distributor, right? Wrong! You're a distributor if you:

- Import (or cause to be imported) beer or wine into New York State for sale or to be used for any commercial purpose;
- Purchase warehouse receipts for beer or wine stored in a warehouse located in New York State, then remove the beer or wine from the warehouse;
- Produce, distill, manufacture, brew, compound, mix, or ferment beer or wine in New York State; or
- Are an out-of-state wine manufacturer and have obtained a direct shipper's license from the State Liquor Authority (SLA) to make direct shipments of wine to New York consumers from your out-of-state location(s).

Please see more information regarding ABT and registrations: <https://www.tax.ny.gov/bus/bev/abt.htm>.

Let's not just be acquaintances with the new MT-456; let's be best friends and make sure not to keep him waiting because the next filing due date is January 20!