# FYI Excise 13
## Alternating Proprietor Licensed Premises

### GENERAL INFORMATION
This FYI explains the excise tax reporting requirements for Alternating Proprietor Licensed Premises. The terms tenant manufacturer and alternating proprietor shall have the same meaning.

### COLORADO ALTERNATING PROPRIETOR LICENSED PREMISES
Only vinous, malt or fermented malt liquor manufacturers (licensed pursuant to 12-46-104(1)(A) C.R.S., 12-47-402,C.R.S., 12-47-403,C.R.S. or 12-47-415,C.R.S.) are eligible to be licensed as alternating proprietors. When an alternating proprietor agreement is written between a host winery and an alternating proprietor, the manufacturers will be designated as either the host manufacturer or tenant manufacturer (alternating proprietor). The winery at which such manufacturing takes place will have a distinct and definite area designated as 'alternating proprietor licensed premises'. At all times, the tenant manufacturer must maintain possession, title, and control over raw materials and liquor making processes occurring on its designated alternating proprietor licensed premises. Tenant manufacturers must ensure that their manufactured product is not sold in the area licensed or defined as an alternating proprietor licensed premises.

### INVENTORY REPORTING
The tenant manufacturer must inventory manufactured liquor product for state tax purposes prior to sale or shipment. The inventory will track the movement or transfer of raw materials or liquor when:
- introduced to the alternating proprietor licensed premises,
- moved from grain storage or crush pad to tank,
- moved from tank to barrel, when moved from barrel to bottling, and
- removed from the alternating proprietor licensed premises or sold on the licensed premises.

Tenant manufacturers must, by the 20th day of each month, file a report of the preceding month's alternating proprietor licensed premises operations on the Manufacturer Production Report for Alternating Proprietor Licensed Premises (DR 0447). The report must include:
- information and volume of product during the processes of pre-fermentation,
- fermentation, aging, bottling/labeling including information on product manufactured, inventoried and transferred from the alternative proprietor licensed premises.

Any transfer of bonded product must also be reported on the DR 0447. The DR 0447 must be mailed with the DR 0442.

### TAX RATES
Tenant manufacturers must file on or before the 20th day of each month the Monthly Report of Excise Tax for Alcohol Beverages (DR 0442). Once the tenant manufacturer's product is transferred to its designated premises or sold, said product will be inventoried and reported on line 2 of the DR 0442. Excise tax is due when product is first sold. The tax rates for liquor upon first sale are:
- the vinous liquor tax is $.0733 per liter sold, reported on line 16.
- the Colorado Wine Development Fee of $.01 per liter sold is due and reported on line 17.
- the Colorado Winery surcharge is calculated and reported on line 18. The Colorado Winery Surcharge Worksheet (form DR 0450) is for winery use in calculating the fee and is no longer required to be filed with the Department of Revenue.
- Excise tax of $.08 per gallon sold for malt liquor or fermented malt beverage is due and shall be reported on line 16 of the appropriate column.

### COMPLETED FORM
The department sends out a preprinted form DR 0442 each month. Forms are available online at *www.TaxColorado.com*. Failure to receive a tax return does not relieve distributors of their legal responsibility to file by the due date. If a distributor does not receive their DR 0442 tax return, they should notify the Department of Revenue by calling (303) 205-8211 ext.6848. A DR 0442 not filed by the due date is considered late and is subject to penalty and interest. Send completed form(s) and payment to: Colorado Department of Revenue, Excise Tax Accounting Section, Denver, CO 80261.

FYIs provide general information concerning a variety of Colorado tax topics in simple and straightforward language. Although the FYIs represent a good faith effort to provide accurate and complete tax information, the information is not binding on the Colorado Department of Revenue, nor does it replace, alter, or supersede Colorado law and regulations. The Executive Director, who by statute is the only person having the authority to bind the Department, has not formally reviewed and/or approved these FYIs.