

# COLLABORATIVE BREWING AGREEMENTS FAQ

## QUESTION

When should the collaboration document be submitted to NLCC? Before the beer leaves the host brewery's facility?

## ANSWER

Collaborative Brewing Agreement should be submitted to NLCC when the agreement has been finalized between 2 breweries up to the conclusion of the brewing. Based on the process, some details may not be finalized until later in the process and so the agreement document may not be completed in full at one day in time. NLCC recognizes this fact. Therefore: *NLCC will accept the Collaborative Brewing Agreement at the beginning of the process with the word "PROJECTED" on it showing what how the agreement is projected to be completed with volumes, etc. (or something similar) A "FINAL" Collaborative Brewing Agreement would be required at the completion of the brewing and transfers including the final volumes and all the information outlined in the sample agreement provided to NLCC. Please note the date of the transfers will be critical in showing the date beer is taxable so please create a document such as an Invoice, Bill of Lading or Transfer Form to document when beer is being released from the production area. Signatures of both producing and purchasing brewery would be required to verify/confirm the volumes/gallonage.*

## OR

*NLCC will accept the Collaborative Brewing Agreement at the completion of the brewing and transfers including the final volumes and all the information outlined in the sample provided to NLCC. Please note the date of the transfers will be critical in showing the date beer is taxable so please create a document such as an Invoice, Bill of Lading or Transfer Form to document when beer is being released from the production area. Signatures of both producing and purchasing brewery is required to verify/confirm the volumes/gallonage.*

It is the plan of NLCC to keep these Collaborative Brewing Agreements on file for audit and informational purposes.

## QUESTION

Is the host brewery the one who pays the excise tax on the beer or is that paid by each separate collaborating brewery?

## ANSWER

Beer Excise Tax is due from the Brewery who finishes the beer from a Collaborative Brewing Agreement. If a collaboration beer is transferred before it is "finished and ready for sale" to Brewery B, Brewery B would then receive the beer as a bond to bond transfer, finish and once it is ready for sale, release it for sale and report it for excise tax.

Determination of Quantity: Please follow federal regulations as outlined in TTB Procedure 2018-1. The shipping brewer must determine the quantity of beer shipped at the time of removal from the brewery, and the receiving brewer must determine the quantity of beer received at the time of receipt at the brewery. The brewery will use suitable measuring devices to accurately determine the quantities of beer to be shipped and received in bulk conveyances. See 27 CFR 25.183 and 25.293.

Additionally, please keep in mind all federal regulations that may be applicable.

**As a reminder, bottles are not considered bulk and would not be allowed per federal regulation 25.231. State of Nebraska will mirror this regulation. State of Nebraska only allow transfers between breweries not of the same ownership via a Collaborative Brewing Agreement. There are no other mechanisms in place for movement of beer between breweries not of the same ownership.**

### **§25.231 Finished beer.**

A brewer may obtain beer in barrels and kegs, finished and ready for sale from another brewer. The purchasing brewer may furnish the producing brewer barrels and kegs marked with the purchasing brewer's name and location. The producing brewer shall pay the tax as provided in subpart K of this part.

A brewer may not purchase tax paid or tax determined beer from another brewer in bottles or cans which bear the name and address of the purchasing brewer.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1389, as amended (26 U.S.C. 5413))

**Disclaimer: If the Federal regulations are discontinued or revised regarding transfers of beer between breweries not of the same ownership after 12/31/19, NLCC may revise or revoke these guidelines.**