



TO ALL VIRGINIA FARM WINERIES

CONTACT OFFICE: TAX MANAGEMENT
CONTACT NUMBER: (804) 219-2039

RE: RECORD KEEPING, MONTHLY REPORTING AND PAYMENT OF TAXES

"Farm winery" means an establishment located on a farm in the Commonwealth with a producing vineyard, orchard, or similar growing area and with facilities for fermenting and bottling wine on the premises where the owner or lessee manufactures wine that contains not more than eighteen percent alcohol by volume §4.1-100.

Any winery licensee or farm winery licensee may manufacture and sell cider to (i) the Board, (ii) any wholesale wine licensee, (iii) any retail licensee approved by the Board for the purpose of selling cider and (iv) persons outside the Commonwealth for resale outside the Commonwealth. Cider means any beverage, carbonated or otherwise, obtained by the fermentation of the natural sugar content of apples containing not more than 10% alcohol by volume without chaptalization or containing not more than 7% alcohol by volume regardless of chaptalization §4.1-213.

As a farm winery, complete and accurate alcoholic beverage records (wine and cider) must be kept at the licensee's place of business for a period of two (2) years. These records must be available at all times during business hours for inspection by any member of the Board or its agents (Section 3VACS- 60-50).

All wines sold at the Farm Winery Retail Shop, remote locations, or to Virginia Wholesalers must have labels approved and code numbers assigned by the Department of Alcoholic Beverage Control Board, Product Approval Department prior to sale.

As a Farm Winery each month you shall, on forms prescribed by the Board and in accordance with the instructions set forth therein, report to the Board all wine and cider transferred from your winery to your retail outlet and remote locations. No wine is to be transferred to your retail outlet or remote locations unless the taxes are being paid. All wine or cider transferred from your winery to your retail outlet or remote locations cannot be returned back to your winery, another winery or a wholesaler.

A Virginia Farm Winery Monthly Tax Report (Form 703-40A) must be submitted the month the license is issued (See Exhibit 1). If no business is conducted, submit a report showing zeros, or submit in writing "No Activity", preferably electronically. Reports shall be accompanied by a remittance for the amount of taxes due from the transfer of wine or cider to your retail outlet and remote locations only and shall be postmarked no later than the fifteenth of the month or, if the fifteenth is not a business day, the next business day thereafter.

Wine or Cider cannot be sold directly to Virginia retailers. Wine or cider sold to a Virginia wine wholesaler must be sold on a purchase order from the winery. Wine sales to the Virginia Department of Alcoholic

Beverage Control Board and out of state sales must be sold from the winery. Sales from the winery to Virginia wholesalers, Department of ABC, or out of state must not be shown on the Virginia Farm Winery Monthly Tax Report (Form 703-40A). The Farm Winery must retain a copy of all sales from the winery for a period of two years subject to the use and inspection of the Department of Alcoholic Beverage Control Board.

NOTE: Farm Wineries who hold an additional license (Winery limited or unlimited) must advise the Virginia wine distributor on the correct license number to use to ensure proper record keeping.

ITEM 1. LITERS OF VIRGINIA FARM WINE AND CIDER TRANSFERRED TO RETAIL OUTLETS DURING MONTH

When transferring Virginia Farm wine or cider from your Winery to your retail outlet or remote locations a purchase order must be executed and a copy must be forwarded to the Tax Management Office (See Exhibit 2). All Purchase Orders are to be postmarked no later than the 5th day of the succeeding month. If you chose to mail your purchase orders with your tax report they both must be postmarked by the 5th of the month, not the 15th. Each purchase order number must be listed on the Virginia Farm Winery Monthly Report (Form 703-40A) in place provided. Each purchase order must have authorized signature and date of movement shown on front before forwarding to the Tax Management Office.

ITEM 2. LITERS OF COMMERCIAL WINE AND CIDER TRANSFERRED TO RETAIL OUTLETS DURING MONTH

When transferring Commercial wine or cider from your Winery to your retail outlet or remote locations a purchase order must be executed and a copy must be forwarded to the Tax Management Office (See Exhibit 2A). All Purchase Orders are to be postmarked no later than the 5th day of the succeeding month. If you chose to mail your purchase orders with your tax report they both must be postmarked by the 5th of the month, not the 15th. Each purchase order number must be listed on the Virginia Farm Winery Monthly Report (Form 703-40A) in place provided. Each purchase order must have authorized signature and date of movement shown on front before forwarding to the Tax Management Office.

ITEM 3. TOTAL TAXABLE LITERS TRANSFERRED DURING THE MONTH (ITEM 1 & ITEM 2) FOR CALCULATION OF WINE TAX & CIDER MARKUP

Net Taxable liters (X) Rate (=) Amount Due

NOTE: Do not execute purchase orders without the five (5)-digit code number issued by, the Virginia ABC Board in the designated column. Virginia code numbers may be obtained from our Web site at www.abc.virginia.gov under, Tax Management Reports, Active Brand Names. You can contact this Department at (804) 213-4497 or (804) 213-4560 for assistance with our Web site.

FORMS

All forms (purchase orders, 703-34 and Virginia Farm Winery Monthly Report, 703-40A) must be shown in metric equivalents for sizes and extensions. When reporting in liters, carry all figures out three (3) places past the decimal point.

This agency furnishes the following non-computerized forms and non-computerized reports at cost:

Forms 703-34 - Wine Purchase Orders - \$10.00 for set of 100

Forms 703-40-Virginia Farm Winery Monthly Report - Supplied at no cost

The following listings may be obtained from our Web site at no cost. www.abc.virginia.gov

Brand Code Listing

Quarterly Code Listing

Brand Code List by Selected Supplier

Wineries who wish to order purchase orders, and the Monthly Wine Reports directly from the printer must contact Tax Management Office for necessary changes and approval before ordering.

If you have any questions, please contact this Department at (804) 219-2039.

Ramona Howell, Manager
Tax Management Section
Financial Management Services

Rev.7/15

**COMMONWEALTH OF VIRGINIA
DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
RICHMOND
VIRGINIA FARM WINERY MONTHLY REPORT**

EXHIBIT 1

File this report with the Virginia Department of Alcoholic Beverage Control, P.O. Box 27491, Richmond, Virginia, 23261-7491, accompanied by remittance and the total of such taxes, and markup collected during the preceding month. A report is required to be filed even if you had no sales for the month. This report shall be postmarked no later than the fifteenth of the month or, if the fifteenth is not a business day, the next business day thereafter.

Name
Trading as Skyline Vineyards
Address
1500 Grove Lane
City, State, Zip
Madison, VA 22701

A.B.C. LICENSE NO. 26234
REPORT FOR THE MONTH OF
Month August 2012

Item	Wine	Cider
1. Liters of Virginia Farm Wine/Cider Transferred to Retail Outlets During the Month	135,000	
2. Liters of Commercial Wine/Cider Transferred to Retail Outlet During Month	99,000	
3. TOTAL (Item 1 plus Item 2) (Net Taxable Liters)	234,000	

LIST PURCHASE ORDER NUMBERS FOR THE MONTH
If you chose to mail your purchase orders with your tax report, then the report and purchase orders must be postmarked by the fifth (5th) of the month and if the fifth is not a business day, the next business day thereafter.

	15236	
	15240	

FOR CALCULATION OF WINE TAX & CIDER MARKUP			
	NET LITERS	RATE	AMOUNT DUE
WINE	234,000	0.40	\$93.60
CIDER		0.08	
TOTAL SUBMITTED WITH REPORT			\$93.60

FOR ABC DEPT. USE ONLY

WINE: 12% \$ _____ \$ _____ +Cider Markup \$ _____ Code 030169
 WINE: 44% \$ _____ Code 01054
 WINE: 44% \$ _____ Code 01057
 REC.NO. _____ PMD _____ STATUS _____

I swear (or affirm) that this report has been examined by me, and, to the best of my knowledge and belief, is a true and complete report made in good faith for the period as stated, pursuant to the ALCOHOLIC BEVERAGE CONTROL ACT and regulations of the Virginia A.B.C. Board.

Signed _____
 Title _____
 Date _____

THIS COPY TO BE RETURNED TO VA. A.B.C. BOARD

COMMONWEALTH OF VIRGINIA
 DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
 RICHMOND, VA 23261

PURCHASE ORDER

EXHIBIT 2

P.O. #: 15236

To: Skyline Vineyards (Winery)

Address: 1500 Grove Lane

City/State/Zip: Madison, VA 22701

Please furnish and deliver the following described articles direct to:

Consignee: Skyline Vineyards (Retail outlet)

Address: 1500 Grove Lane

City/State/Zip: Madison, VA 22701

INDICATED IMPORTER'S NUMBER AND
 LICENSE NUMBER ON ALL INVOICES
 AND SHIPPING PAPERS

IMPORTER'S NO: 026234

LICENSE NO: 026234

Date: August 2, XXXX

Terms:

Routing Instructions

TOTAL CASES	TOTAL BOTTLES	SIZE IN LITERS	CODE NUMBER	BRAND AND TYPE	LITERS	CASE PRICE	TOTAL COST
3	36	0.750	34001	Skyline Vineyards Riesling	27.000		
4	48	0.750	33002	Burgundy	36.000		
2	24	0.750	44920	Zinfandel (V)	18.000		
6	72	0.750	61869	Norton (V)	54.000		
15	180			TOTAL	135.000		

DATE RECEIVED: August 30, 2012

RECEIVED BY: Jack Benny

(Please show all exceptions in body)

Ordered By:

Susan Hayworth

Title:

Office Clerk

COMMONWEALTH OF VIRGINIA
 DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
 RICHMOND, VA, 23261

PURCHASE ORDER

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6	72	0.750	61869	Skyline Norton (V)	54.000		
15	180			TOTAL	135.000		

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RECEIVED BY: Jack Benny	
(Please show all exceptions in body)	

COMMONWEALTH OF VIRGINIA
 DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
 RICHMOND, VA 23261

PURCHASE ORDER

EXHIBIT 2A

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 AND SHIPPING PAPERS

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LICENSE NO: 026234

Date: August 2, XXXX

Terms:

Routing Instructions

TOTAL CASES	TOTAL BOTTLES	SIZE IN LITERS	CODE NUMBER	BRAND AND TYPE	LITERS	CASE PRICE	TOTAL COST
2	24	0.750	54010	Happy Grove Vineyards Sweet Scuppermong Red (NV)	18.000		
4	48	0.750	62166	Blushing Ernie (NV)	36.000		
5	60	0.750	60345	Katelyn Sweet Red (NV)	45.000		
11	132			TOTAL	99.000		

DATE RECEIVED: August 30, 2012

RECEIVED BY: Jack Benny

(Please show all exceptions in body)

Ordered By:

Susan Hayworth

Title:

Office Clerk