

**SECTION .0600 - BOND REQUIRED**

**17 NCAC 04E .0601 BOND OR IRREVOCABLE LETTER OF CREDIT REQUIRED OF WHOLESALEERS AND IMPORTERS OF MALT BEVERAGES OR WINE**

(a) A bond submitted to the Department pursuant to G.S. 105-113.86 shall be filed on Form B-C-790. Form B-C-790 requires the following:

- (1) the bond number;
- (2) the principal's legal name;
- (3) the surety's name;
- (4) the written value of bond amount;
- (5) the numeric value of bond amount;
- (6) the bond effective date;
- (7) the date the bond is executed;
- (8) the authorization, printed name, and signature of the Attorney-in-Fact acting on behalf of the surety in accordance with the following:
  - (A) surety shall affix its seal to the form;
  - (B) surety shall include with the form a power of attorney authorizing the Attorney-in-Fact to sign on behalf of the surety; and
  - (C) surety shall prepare the power of attorney on the surety's own form executed under the surety's seal. If the power of attorney submitted with the form is other than a manually signed original, it shall be accompanied by a certification from the surety that the power of attorney is valid; and
- (9) the authorization, printed name, signature, and title of the person authorized to legally bind the principal in accordance with the following:
  - (A) if the principal has a seal, the principal shall affix its seal to the form;
  - (B) if the principal does not have a seal, the person signing the form shall have his or her signature notarized on the form; and
  - (C) the principal shall include documentation (such as the principal's bylaws, operating agreement, or resolution) showing that the person signing the form has the authority to bind the principal.

(b) An irrevocable letter of credit submitted to the Department pursuant to G.S. 105-113.86 shall be issued on the financial institution's letterhead and include the following:

- (1) the irrevocable letter of credit number;
- (2) the North Carolina Department of Revenue designated as the beneficiary;
- (3) the principal name and address;
- (4) the irrevocable letter of credit is issued for alcoholic beverage taxes imposed under G.S. 105-113.80;
- (5) the coverage period, including effective and expiration dates;
- (6) the liability release date, which shall be three years after the expiration date;
- (7) the credit amount;
- (8) the issuing financial institution's name, address, telephone number, and fax number; and
- (9) the signature, printed name, and title of authorized person issuing the irrevocable letter of credit on behalf of the issuing financial institution.

(c) The amount of the bond or irrevocable letter of credit submitted to the Department pursuant to G.S. 105-113.86(a) or (c) in response to a periodic review shall be as follows:

- (1) where the combined tax due for any three months of the previous 12 months exceeds forty thousand dollars (\$40,000), the amount of the bond shall be fifty thousand dollars (\$50,000);
- (2) where the combined tax due for any three months of the previous 12 months exceeds twenty-five thousand dollars (\$25,000) but does not exceed forty thousand dollars (\$40,000), the amount of the bond shall be forty thousand dollars (\$40,000);
- (3) where the combined tax due for any three months of the previous 12 months exceeds twelve thousand five hundred dollars (\$12,500) but does not exceed twenty-five thousand dollars (\$25,000), the amount of the bond shall be twenty-five thousand dollars (\$25,000);
- (4) where the combined tax due for any three months of the previous 12 months exceeds five thousand dollars (\$5,000) but does not exceed twelve thousand five hundred dollars (\$12,500), the amount of the bond shall be twelve thousand five hundred dollars (\$12,500); and

- (5) where the combined tax due for any three months of the previous 12 months does not exceed five thousand dollars (\$5,000), the amount of the bond shall be five thousand dollars (\$5,000).
- (d) The amount of the bond or irrevocable letter of credit submitted to the Department pursuant to G.S. 105-113.86(b) shall be two thousand dollars (\$2,000).

*History Note: Authority G.S. 105-113.86; 105-262;  
Eff. February 1, 1976;  
Amended Eff. April 1, 2008; January 1, 1994; April 1, 1986;  
Readopted Eff. January 1, 2021.*