# Vermont Brewers Association Vermont Department of Liquor & Lottery

## **Direct to Consumer Shipping**

Direct Ship Licenses allow breweries to ship directly to consumers or in the case of vinous products to ship directly to retail establishments through common carriers.

A consumer shipping license permits the licensee to ship malt beverages, vinous beverages, or ready-to-drink spirits beverages produced by the licensee to private residents for personal use and not for resale.

<ul> <li>☐ Must apply for an in-state consumer shipping license and have a valid manufacturers license.</li> <li>○ Cost: \$330/year to Department of Liquor &amp; Lottery</li> </ul>
<ul> <li>Required Tax Reporting to Tax Department and The Department of Liquor and Lottery</li> <li>Both have separate forms and each one sent to the correct entity.</li> </ul>

# **Vermont Statute Title 7: Chapter 9: Licensing**

<u>Subchapter 005: Manufacturing and Distribution of Alcohol</u> <u>General Requirements for Consumer Shipping License</u>

#### **Direct to Ship Consumers:**

- Ship no more than 12 cases of malt beverages containing no more 36 gallons of malt beverages to any one Vermont resident in any calendar year.
- Ensure that delivery is made by common carrier only and require that the common carrier:
  - Deliver wine/beer pursuant to an invoice that includes the name of the licensee and the name and address of the purchaser.
  - Require valid form of photographic identification from a recipient who appears to be under the age of 30, on delivery.
  - Require the recipient to sign an electronic or paper form or other acknowledgment of receipt.
- Retain a copy of each record of sale for a minimum of five years from the date of shipping.
- Ensure that all containers of vinous/malt beverages shipped directly to a Vermont resident are conspicuously labeled "contains alcohol" - signature of individual age 21 or older required for delivery.

## Report at least twice a year to the Department of Liquor Control the following:

- The total gallons of vinous/malt beverages shipped into or within the state for the preceding six months.
- The names and addresses of the purchasers to whom the vinous/malt beverages were shipped.
- The date purchased, the name of the common carrier used to make each delivery; and the value of each shipment.
- Pay directly to the Commissioner of Taxes the amount of tax on the vinous/malt beverages shipped. Delivery in Vermont by the holder of a license shall be deemed to constitute a sale in Vermont at the place of delivery and shall be subject to all excise and sales taxes levied by the State of Vermont.

#### **Ship Out of State: DTC Compliance**

- There are only 11 states that currently permit DtC beer shipping.
  - Alaska, Kentucky, Nebraska, New Hampshire, North Dakota, Ohio, Oregon, Vermont and Virginia, and the District of Columbia.
  - \* <u>Pennsylvania</u> will only issue licenses for beer shipping to brewers that hold specific wholesaler or off-premises retailer licenses; a manufacturing license alone, even one that grants such permissions, is insufficient
  - \* Rhode Island only permits DtC shipments when the purchase was made when the buyer was physically present at the brewery

#### Most states follow similar licensing framework

- Be licensed by the destination state
- Use approved carriers who will check IDs and collect signatures
- Verify age of purchaser and recipient
- Label boxes with notice of alcohol contents and adult signature requirement
- Abide by per person volume limits
- Agree to remit all applicable sales and excise taxes to the destination state
- File regular reports detailing all their shipments
- o Only ship brand/labels that are produced or owned by the shipper
- Be sure to speak with your accountants to make sure you get set up to pay each state's appropriate excise tax and reporting requirements.
- Also make sure you have each state's compliance with shipping, packaging and identification requirements.

#### How to set up with a Shipping Carrier:

\*\*Click the links for more details\*\*

#### **How to Ship Alcohol with FedEx:**

- Businesses that hold appropriate alcohol licenses (licensees) and are enrolled in the FedEx alcohol shipping program may ship to their customers in select states or countries.
- To Sign- Up you need to create your account with FedEx, Contact Account executive, and sign the alcohol agreement.
- You need to review and comply with shipping, packaging and signature requirements for each package.

## **How to Ship Alcohol with UPS:**

- Must have approved contract with UPS Contractual service only
- Must have a valid retailer or brewery license in their home state.
- Breweries and Retailers must hold all required licenses or permits; verified that the purchaser is of legal age to purchase Beer; and lists the purchaser as the consignee.
- Must follow UPS packaging guidelines

Note - You cannot ship alcohol via the United States Postal Service.