

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE

House Bill 291
Economic Matters

(Delegate Barkley)
Education, Health, and Environmental Affairs

Alcoholic Beverages - Direct Wine Shippers - Reporting Requirements

This bill requires a direct wine shipper to report to the Comptroller's Office, in a manner determined by the Comptroller's Office, information about the direct wine shipper's wine shipments, instead of reporting quarterly to the Comptroller's Office on the total amount of wine, by type, shipped in the State, the price charged, and the name and address of each purchaser.

Fiscal Summary

State Effect: None. The Comptroller's Office can implement the bill with existing budgeted resources.

Local Effect: None.

Small Business Effect: Potential minimal. Small businesses that have a direct wine shipper's permit may be impacted by the change in the reporting requirements.

Analysis

Current Law: A person must be issued a direct wine shipper's permit by the Comptroller's Office before the person may engage in shipping wine directly to a consumer in the State. To qualify for a direct wine shipper's permit, the applicant must be (1) a person licensed outside of the State to engage in the manufacture of wine or (2) a holder of a State-issued Class 3 (winery) or Class 4 (limited winery) manufacturer's license.

The direct wine shipper must ensure that all containers of wine shipped directly to a consumer in the State are conspicuously labeled with (1) the name of the direct wine

shipper; (2) the name and address of the consumer who is the intended recipient; and (3) the words “Contains Alcohol; Signature of Person at Least 21 Years of Age Required for Delivery.” A direct wine shipper must also (1) report quarterly to the Comptroller’s Office the total amount of wine, by type, shipped in the State, the price charged, and the name and address of each purchaser; (2) file a quarterly alcoholic beverages tax return; (3) pay quarterly to the Comptroller’s Office all sales and excise taxes due on sales to personal consumers in the State, calculating the amount of the taxes as if the sale was made in the State; (4) maintain for three years complete and accurate records of all information needed to verify compliance; (5) allow the Comptroller’s Office to audit the direct wine shipper’s records on request; and (6) consent to the jurisdiction of the Comptroller’s Office or other State unit and the State courts concerning enforcement. A direct wine shipper is prohibited from shipping more than 18 9-liter cases of wine annually to a single delivery address or delivering wine on Sunday to an address in the State.

Background: In fiscal 2014, the Comptroller issued 821 direct wine shipper’s permits.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Comptroller’s Office, Department of Legislative Services

Fiscal Note History: First Reader - February 20, 2015

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