

Revenue Information Bulletin 20-018
July 30, 2020

**Certain Wine Direct Shippers Required to Register with the
Louisiana Sales and Use Tax Commission for Remote Sellers**

The purpose of this bulletin is to inform out-of-state wine producers, manufacturers, and retailers who sell and ship wine directly to a consumer in Louisiana (“Wine Direct Shippers”) that they may be required to register with the Louisiana Sales and Use Tax Commission for Remote Sellers (“Commission”). The Commission’s webpage is located at <https://remotesellers.louisiana.gov/>.

Wine Direct Shippers Sales Tax Obligations

Pursuant to LA R.S. 26:359(D)(1), all Wine Direct Shippers are required to collect and remit the 4.45% Louisiana state sales and use tax regardless of physical presence or economic nexus. The impact of the remote seller registration and collection rules does not change the state sales tax collection requirement on Wine Direct Shippers, but instead, changes the responsible tax collecting entity to whom tax collections must be remitted.

If a Wine Direct Shipper has physical presence in Louisiana, the Wine Direct Shipper is considered a dealer and must collect and remit state and local sales and use taxes directly to the Secretary and local tax collectors. The following remote seller rules are inapplicable to Wine Direct Shippers with physical presence in Louisiana.

Remote Seller Criteria and Registration Requirements

Beginning July 1, 2020, remote sellers who meet the economic nexus thresholds must register with the Commission. As defined by LA R.S. 47:339(B)(7), “remote seller” is a seller who sells for sale at retail, use, consumption, distribution, or for storage to be used for consumption or distribution any taxable tangible personal property, products transferred electronically, or services for delivery within Louisiana, but does not have physical presence in Louisiana.

Louisiana’s economic nexus thresholds are set forth in LA R.S. 47:301(4)(m)(i) as follows:

1. The person's gross revenue for sales delivered into Louisiana has exceeded one hundred thousand dollars from sales of tangible personal property, products transferred electronically, or services; or
2. The person sold for delivery into Louisiana tangible personal property, products transferred electronically, or services in two hundred or more separate transactions.

Tax-exempt sales made into Louisiana, such as sales for resale to wholesalers, are included in the economic nexus thresholds' calculations.

All Wine Direct Shippers that meet the definition of remote seller must determine if either of the economic nexus thresholds has been met for 2019 sales and 2020 year-to-date sales. Any Wine Direct Shippers that meet either of the economic nexus thresholds listed above must register with the Commission within 30 days of July 1, 2020.

Any Wine Direct Shippers who currently have a Direct Marketer Sales Tax Account and meet either economic nexus threshold will be notified by the Louisiana Department of Revenue ("Department") that their account will be converted to a Remote Seller Account with the Commission prior to July 1, 2020.¹ After this date, Wine Direct Shippers are required to monitor their sales into Louisiana, and if either of the economic nexus thresholds is met, the Wine Direct Shippers must register with the Commission within 30 days of meeting this threshold. Once the Commission approves an application, that Wine Direct Shipper will file a final Direct Marketer Sales Tax Return with the Department to close out the Direct Marketer Sales Tax Account and then file future sales tax returns with, and make payments directly to, the Commission.

Any Wine Direct Shippers who do not meet either economic nexus threshold must continue to collect and remit the Louisiana state sales tax as required by LA R.S. 26:359(D)(1). Additionally, any Wine Direct Shippers not required to register with the Commission may still voluntarily register with the Department for a Direct Marketer Sales Tax Account and collect and remit the combined 8.45% tax rate.

Wine Club Membership with Multiple Invoices

After purchase of a wine club membership, some wine clubs send one or more separate shipments of wine to the Louisiana purchaser. If there is a single invoice for the membership and/or wine, this is considered a single transaction, even if multiple shipments of wine are made. If there are multiple invoices for the wine, then each invoice is considered a separate transaction regardless of how the wine is delivered.

Authorization to Make Direct Shipments Still Required

All Wine Direct Shippers, including remote sellers, are still required to obtain authorization from the Department to make direct shipments of wines to Louisiana consumers and pay the annual fee in accordance with LA R.S. 26:359(C).

¹ Additional information regarding registration and filing requirements can be found at <https://revenue.louisiana.gov/LawsAndPolicies/RemoteSellersInformationBulletins> in [Remote Sellers Information Bulletin 20-002](#).

Permit to Engage in Direct Shipments Still Required

All Wine Direct Shippers, including remote sellers, are still required to obtain a permit from the Louisiana Office of Alcohol and Tobacco Control to engage in the direct shipment of sparkling and still wines and pay the annual permit fee as provided by LA R.S. 26:359(B)(3).

Excise Tax Still Required

All Wine Direct Shippers, including remote sellers, must still report and remit the Louisiana excise taxes due on sparkling and still wines to the Department in accordance with LA R.S. 26:341 *et seq.*

Questions concerning this bulletin should be directed by e-mail to Policy.Publications@la.gov.

Kimberly Lewis Robinson
Secretary