

Revenue Information Bulletin No. 16-045

July 27, 2016

Excise Tax

Changes for Direct Shipments of Wine to Louisiana Consumers

Act 637, enacted during the 2016 Regular Legislative Session, amended the provisions of Louisiana Revised Statutes 26:359 related to wine being shipped direct to Louisiana consumers and registration requirements. Highlights of the changes include:

1. Sparkling wine or still wine for which there is a contract for the right of purchase by a Louisiana wholesaler can be sold to a Louisiana consumer physically present on the premises of a wine producer or manufacturer for shipment to the consumer in Louisiana.
2. Sparkling wine or still wine bearing a label, properly registered with the Louisiana Office of Alcohol and Tobacco Control (ATC), that is not assigned by the wine producer or manufacturer to a wholesaler licensed in Louisiana for sale by said wholesaler may be sold and shipped to individual consumers in Louisiana
3. Wine producers, manufacturers, and retailers domiciled outside of Louisiana are required to apply to ATC for a permit to engage in direct shipment of sparkling wine and still wine; this application and permit is in addition to the requirement to register with the Louisiana Department of Revenue (LDR).
4. ATC permits are required to be renewed on annual basis; the annual permit fee for retailers domiciled outside of Louisiana is \$1,000; the annual permit fee for wine producers or manufacturers domiciled outside of Louisiana is \$250.
5. The annual application fee to be remitted to the LDR by retailers domiciled outside of Louisiana is \$1,000 and the retailer agrees to pay all excise and sales and use taxes levied by the state of Louisiana.
6. The annual application fee to be remitted to the LDR by out-of-state wine producers and manufacturers remains at \$150 and the wine producers and manufacturers agree to pay all excise and sales and use taxes levied by the state of Louisiana on the sparkling wine or still wine sold and shipped to the Louisiana consumer.

Most significantly, effective July 1, 2016, the quarterly statements filed by out-of-state wine producers, manufacturers, or retailers who sell and ship directly to a Louisiana consumer are now required to be filed monthly, beginning with the July 2016 period. This statement must be filed using form R-5696 which is provided by the Department once the out-of-state wine producer, manufacturer or retailer makes an application (R-8695) with the Department for authority to ship product direct to consumers. The application (R-8695) to apply for authority to ship direct to consumers is available on the Department's website at www.revenue.louisiana.gov. Prior to selling and shipping into Louisiana, the wine producer, manufacturer or retailer domiciled

outside of Louisiana must register with ATC and LDR, pay the applicable fees and receive permits to conduct such business in Louisiana.

The information to be reported on the monthly returns is the same information that was required for the quarterly reports. Therefore, monthly statements must include:

1. The amount of sparkling wine and still wine shipped into Louisiana.
2. The total number of bottles, size of bottles, brand name and quantities of that brand and the price per bottle.
3. Copies of invoices for transactions within the month being reported.

The statements must be filed by the 20th day of the month following the month being reported and payment must be by company check or by electronic funds transfer. In addition, the wine producer, manufacturer, or retailer domiciled outside of Louisiana must submit a Louisiana Sales and Use Tax return and remit the taxes collected for the product sold and shipped to individual consumers in Louisiana within the reporting period

The Department of Revenue will apply the provisions referenced above to reporting periods beginning on or after July 1, 2016. Therefore, the first reporting period for a monthly report covers the activities occurring in July 2016 and said report will be due August 20th. Subsequent periods will be for the subsequent calendar months and the reports will be due the 20th day of the month following the end of the month being reported. *Any activity occurring during the April, May and June 2016 is still to be reported on a quarterly basis, and that report is due by July 20, 2016.*

If you have any questions, call Taxpayer Compliance – Sales, Severance, Excise, Withholding Tax Unit at 855-307-3893, option 2 then 1.

Kimberly Lewis Robinson
Secretary

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