
OLR Bill Analysis

sHB 6267

AN ACT CONCERNING THE SALE OF WINE WITH GIFT BASKETS.

SUMMARY:

This bill establishes a gift basket retailer permit, which allows the retail sale and shipment of wine in gift baskets to both in-state and out-of-state consumers. The annual permit fee is \$200 plus administrative costs.

The bill sets out procedures for in-state delivery. It allows the Department of Consumer Protection (DCP), in consultation with the Department of Revenue Services (DRS), to adopt regulations to assure compliance with the bill.

The bill requires the permittee to clearly put his or her liquor permit number on all online advertising to ship wine. For tax purposes, the permittee is deemed a retailer engaged in business when shipping wine directly to an in-state consumer. As such, he or she is required to have a seller's permit.

EFFECTIVE DATE: October 1, 2011

GIFT BASKET RETAILER PERMIT

The gift basket retailer permit allows a retail bottle of wine to be included in a gift basket. The permittee must be located in-state and the wine (1) cannot be consumed on the premises, (2) must be purchased from a package store, and (3) can only be sold during the same hours a package store is allowed to sell alcohol.

The permittee may sell gift baskets that include (1) wine; (2) food items; (3) nonalcoholic beverages; (4) concentrates used to make mixed alcoholic beverages; (5) wine-making kits and related products; (6) ice; (7) clothing with advertising related to the alcoholic liquor industry; or (8) flowers, plants, and garden-related items.

DIRECT SHIPMENT

A gift basket retailer permit allows the sale and delivery or shipment of wine directly to a consumer. If a consumer is out-of-state, the permittee will be subject to all applicable laws of that state. If the consumer is in this state, the permittee must:

1. ensure the shipping labels on wine containers conspicuously state: "CONTAINS ALCOHOL—SIGNATURE OF A PERSON AGE 21 OR OLDER REQUIRED FOR DELIVERY";
2. get someone who is at least age 21, as shown on a driver's license or identity card, to sign for the delivery;
3. register with DRS for tax purposes and not ship more than five gallons of wine in any two-month period;
4. pay all sales and alcoholic beverage taxes due on the sales to DRS and file related tax returns;
5. report to DCP a separate and complete record of all sales and shipments to consumers in the state on a ledger or similar document;
6. permit DCP and DRS, separately or jointly, to audit his or her records upon request;
7. not ship to any address in the state where the sale of alcoholic liquor is prohibited by local option;
8. hold an in-state transporter's permit or make shipments through someone who does; and
9. execute a written consent to follow the laws of the state.

COMMITTEE ACTION

General Law Committee

Joint Favorable Substitute

Yea 15 Nay 1 (02/15/2011)