



Georgia Department of Revenue
Alcohol & Tobacco Division Policy Bulletin 2017-01
Direct Sales on the Premises of a Licensed Brewery or Distillery
Effective: September 1, 2017

- 1) **Purpose:** To summarize key changes regarding the direct sale of Alcoholic Beverage on the premises of a licensed brewery or distillery pursuant to the enactment of Senate Bill 85. This bulletin also clarifies the Department's position on various frequently asked questions.
- 2) **Effective Date:** September 1, 2017.
- 3) **Authority:** O.C.G.A. §§ 3-2-2, 3-2-3, 3-2-6, 3-4-1, 3-4-24.1, 3-4-24.2, 3-4-61, 3-4-180, 3-5-1, 3-5-24.1, 3-5-36, 3-5-38, 3-5-81.
- 4) **Scope:** A Policy Bulletin is intended to provide guidance to the public and Department personnel. It is a written statement issued to apply principles of law to a specific set of facts or a general category of taxpayers, superseding all conflicting documents and oral directives previously issued by the Department. A Policy Bulletin is the Department's position on the law and is binding on agency personnel until superseded or modified by a change in statute, regulation, court decision, or subsequent Policy Bulletin.
- 5) **Summary:**

Senate Bill 85 provides for the limited sale of Malt Beverage and Distilled Spirits directly to consumers for consumption on premises and off premises of a licensed Manufacturer. Limitations are as follows:

| | Malt Beverage | Distilled Spirits |
|--|-----------------------|---|
| Total annual barrel limit for direct sales (includes sales for consumption on and off the premises) | 3,000 barrels | 500 barrels |
| Limits for sales for consumption off the premises (per person, per day) | 288 oz. (one case) | 2,250 ml (e.g., up to three 750 ml bottles) |
| Definition of "barrel" | 31 gal. | 53 gal. |

Sales are only allowed on days and at times where lawful within the county or municipality where the manufacturer is located. Additionally, if a manufacturer violates any provision of the Code or rules or regulations of the Department relating to such sales, the Commissioner may place conditions or limitations on the manufacturer's license.

6) Frequently Asked Questions:

- a) **Will special permits be required to conduct direct sales?** No, the Department will not issue permits related to the direct sale of alcohol by a licensed Manufacturer of Malt Beverage or Distilled Spirits.
- b) **Can a brewery or distillery still rent event space to a special event or non-profit special event permittee?** Yes, however, manufacturers are not allowed to provide or sell Alcoholic Beverage to event organizers or attendees. Pursuant to Department Rule 560-2-2-.67, Alcoholic Beverage for special event attendees must be purchased from a licensed Wholesaler by the special event permit holder.
- c) **Can a brewery or distillery sell and serve food on the premises?** Yes, breweries and distilleries may offer food for purchase either directly or through a third-party vendor, such as food trucks.
- d) **Can a brewery or distillery provide free samples?** Yes, manufacturers may continue to provide samples of Malt Beverage or Distilled Spirits free of charge, however, any samples must be included in the total volume caps described in this bulletin.

Brewers and distillers must also remit state and local Excise tax and Use tax on all Alcoholic Beverage given away as samples.

- e) **Can a manufacturer serve Alcoholic Beverage manufactured by another brewery or distillery?** No. Unlike licensed Brewpubs, manufacturers can only sell their own products produced at the licensed premises.
- f) **What are the excise tax rates for Malt Beverage?**

Breweries must remit state and local excise tax at the following rates:

- (1) For barrel and bulk containers (tap and draft):

State: \$10.00 on each container of 31 gallons and less, and a proportionate tax at the same rate on all fractional parts of 31 gallons.

Local: \$6.00 on each container containing 15.5 gallons and less, and a proportionate tax at the same rate on all fractional parts of 15.5 gallons.

- (2) For bottles, cans, and other containers:

State: 4 ½¢ per 12 ounces and a proportionate tax at the same rate on all fractional parts of 12 ounces.

Local: 5¢ per 12 ounces and a proportionate tax at the same rate on all fractional parts of 12 ounces.

g) What are the excise tax rates for Distilled Spirits?

Distilleries must accrue state excise tax at the following rates:

- (1) For all Distilled Spirits, 50¢ per liter, and a proportionate tax at the same rate on all fractional parts of a liter;
- (2) For all other alcohol, 70¢ per liter, and a proportionate tax at the same rate on all fractional parts of a liter.

Note: Local excise taxes may also apply. Consult your local governing authority for specific local excise tax collection liabilities.

h) Should Brewers and Distillers collect sales tax on Alcoholic Beverage sold directly to consumers? Yes. The sale of Alcoholic Beverage to consumers is a taxable retail sale subject to sales and use tax.

The State rate of sales and use tax is 4%. The local sales and use tax rate will depend on the county in which the manufacturer is located. You can determine the applicable county rate in your county from the Georgia Department of Revenue website (<https://dor.georgia.gov/documents/sales-tax-rate-charts>).

FOR MORE INFORMATION

For more information on this subject contact Taxpayer Services at 1-877-423-6711 between 8:00 a.m. to 4:30 p.m., Monday through Friday, excluding holidays.