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**Georgia Department of Revenue**  
**Alcohol & Tobacco Division Policy Bulletin 2016-01**  
**Regulation 560-2-4-.07(3)(d) - Extended Quantity Discounts**

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- 1) Purpose:** Department Regulation 560-2-4-.07(3)(d) is intended to allow licensed Retailers and Retail Consumption Dealers of Distilled Spirits to continue to enjoy discounted pricing earned through a valid quantity discount purchase for up to sixty (60) calendar days, without having to meet the minimum quantity required for the discount again during this period. The purpose of this Policy Bulletin is to clarify the requirements of a valid extended quantity discount.
- 2) Effective Date:** January 26, 2016.
- 3) Authority:** O.C.G.A. §§ 3-2-2, 3-2-3, 3-2-6, and 48-2-12.
- 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 A Policy Bulletin is the Department's position on the law and is binding on agency personnel until superseded or modified by a change in statute, regulation, court decision, or subsequent Policy Bulletin.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:**
  - a)** Per Regulation 560-2-4-.07(2), every licensed Wholesaler of Distilled Spirits and/or Malt Beverages must file a price listing with the Department. No licensed Wholesaler may make any sale for less than the posted price, with the exception of a qualified state tax exemption. Any available quantity discounts must be listed separately on the same form per Regulation 560-2-4-.07(3)(a).
  - b)** Under Regulation 560-2-4-.07(3)(d), Retailers and Retail Consumption Dealers of Distilled Spirits who make a valid quantity discount purchase may continue to receive that quantity discount on the same product(s) without being required to purchase a minimum quantity again for up to sixty (60) days. A valid quantity discount purchase requires that an order be purchased and delivered as a single, simultaneous transaction. Multiple purchases or deliveries cannot be combined in any way to qualify for quantity discount pricing.
  - c)** In addition, the extended quantity discount is only available if the price listing that is properly posted with the Department at the time of the initial quantity discount purchase specifically notes the availability of the extended discount. The duration of the extended quantity discount (a maximum of sixty (60) days) must also be noted on the posted price listing and cannot be adjusted without filing an amended price listing.

## **6) Frequently Asked Questions:**

### **(Q1) What is a quantity discount?**

A quantity discount is a reduced price on a product, or combination of products, offered by a Wholesaler to Retailers and Retail Consumption Dealers who purchase at least a minimum specified quantity in a single transaction. All quantity discounts must be posted on the price listing filed with the Department.

### **(Q2) What is an extended quantity discount?**

For Distilled Spirits, a quantity discount may continue for up to sixty (60) days after a valid quantity discount purchase. The availability and duration of an extended quantity discount must be noted on the price listing properly posted with the Department. If the availability of an extended quantity is noted but no duration is specified, the Department will assume that the extended quantity discount duration is sixty (60) days.

### **(Q3) How do I qualify for an extended quantity discount on Distilled Spirits?**

Retailers and Retail Consumption Dealers must meet the following requirements to qualify for an extended quantity discount:

- 1) A Wholesaler has noted the availability of an extended quantity discount on the price listing properly posted with the Department; and
- 2) The Retailer or Retail Consumption Dealer has made an initial, single purchase of at least the minimum quantity of products required to receive a properly posted quantity discount; and
- 3) The Retailer or Retail Consumption Dealer makes a subsequent purchase of one or more of the same product(s) during the duration of the extended quantity discount.

### **(Q4) Can I combine multiple purchases to meet the minimum quantity required to receive a quantity discount on Distilled Spirits?**

As discussed in Q1 and Q3, a single purchase of at least the minimum quantity is required to receive a properly posted quantity discount. Multiple purchases cannot be combined to qualify for a valid quantity discount.

### **(Q5) Is there a minimum quantity requirement for subsequent purchases made during an extended quantity discount period on Distilled Spirits?**

There is no minimum quantity requirement to receive an extended quantity discount after the initial qualifying quantity discount purchase is made. Once a Retailer or Retail Consumption Dealer qualifies for a valid extended quantity discount (*see* Q3), the discount applies on the same product(s) for the duration of the extended quantity discount period regardless of the size of the order.

## **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. EST, Monday through Friday, excluding holidays.**

**For forms and other information, visit our website <http://dor.georgia.gov>.**