

## **Tax information regarding direct wine shipments into New York State by out-of-state wineries**

On July 12, 2005, Governor George E. Pataki signed Chapters 184 and 210 of the Laws of 2005 to amend the Alcoholic Beverages Control (ABC) Law. As a result, effective August 11, 2005, certain out-of-state wine manufacturers may legally ship limited quantities of their wines directly to eligible consumers in New York State.

Out-of-state wine manufacturers must meet specific criteria contained in the ABC Law and obtain a direct shipper's license from the State Liquor Authority (SLA) before making any such sales in New York. The direct shipper must consent to be subject to all New York State laws, including the Tax Law, and the state where the out-of-state winery is located must afford New York wineries similar privileges to ship wine into that state. For details on the requirements for a direct shipper's license, contact the SLA at (518) 474-3114 or (518) 474-7604 or visit its website at [www.abc.state.ny.us](http://www.abc.state.ny.us).

Before a direct shipper's license will be granted, an applicant must first register as a sales tax vendor with the Tax Department and obtain a Certificate of Authority to collect the New York State and local sales tax. The applicant must also register as a distributor of alcoholic beverages under the New York State Tax Law. This memorandum outlines the basic tax registration and tax filing requirements.

### **Tax registration requirements**

#### **How do I register as a sales tax vendor and as a distributor of alcoholic beverages?**

Submit Form DTF-17, *Application for Registration as a Sales Tax Vendor* (sales tax application) and Form TP-215, *Application for Registration as a Distributor of Alcoholic Beverages* (ABT application). There are no application fees. To expedite this process, send these forms together to the NYS Tax Department, TTTB - Registration and Bond Unit, WA Harriman Campus, Albany, NY 12227.

#### **How will I be notified that my applications have been approved?**

Once your sales tax application is approved, a Certificate of Authority will be sent to you and you will be registered as a sales tax vendor. Once you receive the Certificate of Authority, you **must** file sales and use tax returns each period. For additional information, see *Tax return filing requirements*.

Once your ABT application is approved, the Tax Department will contact the SLA to determine if you have an application for a direct shipper's license pending. Your registration as a distributor of alcoholic beverages will be sent to you after the SLA has granted you a direct shipper's license. If the SLA does not grant this license, your registration as a distributor of alcoholic beverages will **not** be issued. For additional information regarding your tax registration requirements, contact the Registration and Bond unit at (518) 485-0181.

## **Tax return filing requirements**

### **What are my sales and use tax return filing requirements?**

As a newly registered sales tax vendor, you must file your sales and use tax returns on a quarterly basis using Form ST-100, *New York State and Local Quarterly Sales and Use Tax Return*. The sales tax return is due on or before the 20th day of the month following the end of the quarterly period. The quarterly periods end on the last day of February, May, August, and November. You must file a sales and use tax return each quarter, even if you did not make any taxable sales during the quarter or no tax is due. For additional information see Publication 750, *A Guide to Sales Tax in New York State*.

### **What are my alcoholic beverages tax return filing requirements?**

As a distributor of alcoholic beverages, you must file Form MT-40, *Return of Tax on Wines, Liquors, Alcohol, and Distilled or Rectified Spirits*, each month on or before the 20<sup>th</sup> day of the following month. There are limited reporting requirements for an out-of-state direct wine shipper. See Form MT-40-I, *Instructions for Form MT-40*, for details. You must file Form MT-40 each month, even if you did not make any taxable sales during the month or no tax is due.

### **When should I file a final return?**

If you are issued a Certificate of Authority but are not issued a direct shipper's license by the SLA, and you do not want to remain registered as a New York State sales tax vendor, you must file a final sales and use tax return and surrender your Certificate of Authority.

If, however, you are issued a direct shipper's license and are registered as a New York State sales tax vendor and you permanently discontinue business in New York, including making direct wine shipments, you must file a final sales and use tax return and surrender your Certificate of Authority. Similarly, you must file a final MT-40 return and check the *Cancel registration* box. For additional information see, ST-100-I, *Instructions for Form ST-100*, and Form MT-40-I, *Instructions for Form MT-40*.