



Sales and Use Tax Exemptions for Alcoholic Beverage Tastings

This memorandum describes recently enacted legislation that provides an exemption from use tax for alcoholic beverages furnished to customers at tastings held in accordance with the Alcoholic Beverage Control Law. The new law also expands and clarifies the existing sales and use tax exemption for wine tastings.

Beer, cider, and liquor tastings

Effective **June 1, 2015**, Part U of Chapter 59 of the Laws of 2015 amends the Tax Law to provide an exemption from the use tax for beer, cider, and liquor furnished at no charge by a licensed brewery, farm brewery, cider producer, farm cidery, distillery, or farm distillery to a customer or prospective customer for consumption at tastings held in accordance with the Alcoholic Beverage Control Law (ABCL). This new exemption also applies to any bottles, corks, caps, and labels used to package the alcoholic beverages served at the tastings.

Prior to this amendment, any beer, cider, or liquor served at a tasting, and any materials used to package the beverages served, were subject to use tax. See Tax Bulletin [Use Tax for Businesses \(TB-ST-910\)](#) for additional information on use tax.

Beer means any fermented beverage of any name or description manufactured from malt, wholly or in part, or from any substitute for malt.

Cider means the partially or fully fermented juice of fresh, whole apples or other pome fruits, containing more than 3.2% but not more than 8.5% alcohol by volume.

Liquor means any and all distilled or rectified spirits, brandy, whiskey, rum, gin, cordials or similar distilled alcoholic beverages, including all dilutions and mixtures of one or more of the foregoing.

Example: *A farm brewery conducts tastings at its facility, where the craft beer that it produces is also offered for sale. There is no charge for the participants to take part in the tastings. The beer served at the tastings (as well as the bottles, caps, and labels used to package the beer) is exempt from state and local use taxes.*

Wine tastings

Effective **April 13, 2015**, Part U also expanded and clarified the existing sales and use tax exemption for wine and wine product furnished at certain wine tastings.

Under prior law, the exemption for wine tastings applied only to wine tastings held in accordance with section 80 of the ABCL, which only allows for wine tastings held **on** the licensed premises. See [TSB-M-14\(9\)S](#), *Sales and Use Tax Exemption for Certain Wine*

Tastings. The new law expands the existing exemption for wine tastings to apply to tastings held **on or off** the licensed premises, as permitted by the ABCL.

The new law also clarifies that the existing exemption for wine tastings applies to the bottles, corks, caps, and labels used to package the wine served.

Note: Any charge permitted under the ABCL for participating in a wine tasting continues to be exempt from sales tax.

Wine means the product of the normal alcoholic fermentation of the juice of grapes, or other fruits or plants, including champagne, sparkling, and fortified wine. The alcoholic content of wine cannot exceed 24% by volume.

Wine product means a beverage containing wine to which is added concentrated or unconcentrated juice, flavoring material, water, citric acid, sugar, and carbon dioxide. The alcoholic content of wine product cannot exceed 6% by volume.

(Tax Law sections 1115(a)(33) and 1118(13))

Note: A TSB-M is an informational statement of existing department policies or of changes to the law, regulations, or department policies. It is accurate on the date issued. Subsequent changes in the law or regulations, judicial decisions, Tax Appeals Tribunal decisions, or changes in department policies could affect the validity of the information presented in a TSB-M.