



AMENDED* ADVISORY NOTICE NO. 23

DIRECT WINE SHIPPER LICENSE

October 4, 2018

TO: All Direct Wine Shippers

This advisory notice, issued supplementary to the [Frequently Asked Questions document published in August 2016](#) addressing Direct Wine Shipper (DWS) licenses, addresses specific privileges and obligations clarified for DWS license holders.

Only wine producers licensed by the Pennsylvania Liquor Control Board (PLCB) as direct wine shippers are authorized to sell and ship wine directly to Pennsylvania residents.

Age Verification Requirements

Section 488(d)(5) of the Liquor Code requires a DWS license holder to verify the recipient's age prior to shipping wine. It further authorizes the PLCB to establish the manner in which that verification is to be made.

The PLCB previously notified DWS license holders that they must use age verification software to meet this requirement and extended the deadline by which the software must be obtained multiple times.

Effective June 2018, the PLCB rescinds the previous age verification software requirement in lieu of requiring DWS license holders to meet the following two requirements, intended to provide more flexibility to licensees while still preventing sales to minors.

Each DWS license holder must now meet the following two requirements:

1. Utilize a delivery service that provides age verification upon each delivery and refuses to deliver to anyone under 21. This requirement is effective immediately.
2. Implement a website "age gate" that requires a site visitor to affirm he or she is 21 years of age or older.
 - Such age gate is suggested before access to the site is granted, but could also be incorporated at online checkout.
 - Similarly, DWS licensees are required to have purchasers ordering by phone affirm their identities and ages prior to making the sale.

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In lieu of implementing a website age gate, DWS licensees may instead utilize age verification services or software to provide an added layer of scrutiny prior to making a sale.

This second requirement must be met by January 1, 2019

All DWS license holders must immediately utilize a delivery service providing age verification upon delivery; by January 1, 2019 all DWS license holders must employ a website age gate or age verification services.

Products DWS License Holders May Ship to Pennsylvania Residents

Generally, the holder of a manufacturer's license may only sell products it produces unless the Liquor Code expressly states otherwise. As such, and given there is no specific legal authority for DWS license holders to sell products they do not produce, DWS licensees may only sell and ship to Pennsylvania residents wine produced by the DWS license holder. DWS licensees that act as retailers of wines for other producers in other states may not sell to Pennsylvania residents wines produced by other producers.

Reporting Obligations of DWS License Holders

Act 39 of 2016 requires each DWS licensee to report wine shipped into Pennsylvania. The PLCB has established a quarterly reporting process through the online licensing and regulatory system [PLCB+](#). A report detailing sales by product must be completed for each quarter that a DWS licensee holds a license, regardless of whether wine was shipped to Pennsylvania residents during a particular quarter.

Deadlines for quarterly reports are as follows:

- Reports detailing wine shipped in January, February, and March are due April 30.
- Reports detailing wine shipped in April, May, and June are due July 31.
- Reports detailing wine shipped in July, August, and September are due October 31.
- Reports detailing wine shipped in October, November and December are due January 31.

When reporting sales, DWS licenses should note the following:

- Sales must be reported for all quarters a DWS licensee holds a license. If no wine was shipped during a particular quarter, zero quantities must be reported.
- Sales of items other than wine (accessories, for example) should not be reported.
- Wine "units" are to be reported as bottles, not cases or shipments.
- When units are reported as sold, a corresponding dollar value should also be reported.
- Sales amounts are not to include wine excise tax or shipping charges.

The PLCB Bureau of Licensing will issue additional guidance regarding reporting requirements as reporting systems are updated and as clarifications are required.

NOTE: *DWS license holders are required to permit auditing of their records by the PLCB, the Pennsylvania State Police Bureau of Liquor Control Enforcement, or the Pennsylvania Department of Revenue. As such, the PLCB may pursue information sharing agreements or arrangements with BLCE and Revenue so these other agencies may pursue compliance efforts as they deem appropriate.*

DWS Renewal Requirements

DWS licenses are renewable on a calendar basis at a cost of \$250 per year.

DWS license holders applying for license renewals will be evaluated for compliance with the matters discussed herein, including the following:

- DWS license holders may only sell and ship to Pennsylvania residents wine produced by the DWS licensee;
- DWS license holders must satisfy quarterly reporting obligations by providing accurate and complete information timely; and
- DWS license holders abide by the age verification requirements established herein.

If the PLCB finds a DWS license holder non-compliant in any of these matters, it has the authority to refuse the DWS license renewal, thereby divesting the business of the authority to direct ship wine to Pennsylvania residents.

Questions regarding DWS reporting obligations and licensing matters may be directed to the Bureau of Licensing at ra-lblicensingmod@pa.gov or 844-707-5475 between the hours of 7:00 a.m. and 4:00 p.m. Eastern Standard Time.

Any DWS issues not covered by this Advisory Notice may be resolved by writing to:

**The Office of Chief Counsel
Room 401, Northwest Office Building
Harrisburg PA 17124-0001
ra-lblegal@pa.gov**

**BY ORDER OF:
PENNSYLVANIA LIQUOR CONTROL BOARD**



JOHN K. STARK
Secretary to the Board

* This advisory notice was amended to revise quarterly reporting requirements.