

Frequently Asked Questions: Direct Wine Shipper Licenses

The following Q&As address questions regarding the direct wine shipper (DWS) license created by Act 39 of 2016.

1. Does Act 39 eliminate the previous direct shipper license?

Yes. After August 8, 2016, the former direct shipper license was eliminated, and a new license, the DWS license, is available to eligible entities. Entities holding direct shipper licenses issued prior to August 8, 2016 may no longer use such licenses on or after August 8, 2016. PLCB stores are no longer authorized to accept delivery of wines sent pursuant to a direct shipper license on or after August 8, 2016.

2. Who is eligible to hold a DWS license?

Act 39 limits who may obtain a DWS license to any person/entity licensed by the PLCB, another state, or another country as a *wine producer*. Limited wineries licensed by the PLCB are eligible to apply for a DWS license.

3. Why would a PLCB licensed limited winery obtain a DWS license?

A PLCB licensed limited winery will no longer be able to ship its wine to a Pennsylvania resident without holding a DWS license.

4. May a supplier, importer, wholesaler, distributor, or retailer of wine obtain a DWS license?

No, not unless the entity is also licensed by the PLCB, another state, or another country as a *wine producer*.

5. What is the procedure for applying for a DWS license?

Applicants must file online through [PLCB+](#), pay a \$250 fee, provide a copy of the applicant's current producer license, provide documentation that the applicant has obtained a sales tax number from the Department of Revenue, and provide other information as required by the PLCB's Bureau of Licensing.

6. How soon can an application be filed for a DWS license?

The Bureau of Licensing began accepting requests for DWS licenses on August 8, 2016, via [PLCB+](#).

7. How long will it take, once the application has been filed, to receive a DWS license?

The request for a DWS license will be evaluated as required under Act 39 of 2016 and issued in a timely manner thereafter. Entities that hold a limited winery license, and those holding a direct shipper license issued prior to August 8, 2016 that are licensed as a wine producer by another state or country, will be processed quickly, since they were previously investigated by the PLCB.

8. Are DWS licenses renewable and if so, when must they be renewed?

Yes, the DWS license is renewable on a calendar basis at a cost of \$250. However, if a license is granted between August 8, 2016 and December 31, 2016, it will not expire until December 31, 2017.

9. What is the maximum amount of wine a DWS license holder can ship in any calendar year?

A maximum of thirty-six cases of wine, up to nine liters per case, may be shipped to a Pennsylvania resident for his/her personal use, per calendar year.

10. Can a DWS license holder sell/ship wine that is listed for sale by the PLCB at its stores?

Yes. Act 39 removed the restriction that wine ordered via a direct shipper license cannot be listed for sale by the PLCB. Under a DWS license, it no longer matters whether the wine is also sold by the PLCB.

11. What are the requirements that a DWS license holder must meet in order to ship wine to a Pennsylvania resident?

- Report to the PLCB at DWS license renewal time, the total amount of wine shipped in the previous calendar year.
- Permit auditing of the DWS license holder's records by the PLCB; the Pennsylvania State Police, Bureau of Liquor Control Enforcement; or the Pennsylvania Department of Revenue.
- Require proof of age of the customer ordering the wine before the wine is shipped. At a minimum, the DWS license holder must:
 - obtain customer's name
 - obtain customer's address
 - have customer acknowledge that he/she is at least 21 years old and that he/she understands that it is illegal to sell, furnish, or give alcohol to a minor and that it is also illegal for a minor to acquire, consume, or attempt to acquire or consume alcohol.

- by January 1, 2019, 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.
- Require that wine shipments comply with the following:
 - Utilize a delivery service that provides age verification upon each delivery and refuses to deliver to anyone under 21.
 - Label outside of boxes with the phrase “CONTAINS ALCOHOL: SIGNATURE OF PERSON 21 YEARS OF AGE OR OLDER REQUIRED FOR DELIVERY.”
- Collect and pay sales tax and a \$2.50 per gallon wine excise tax from purchasers and remit the tax money to the Pennsylvania Department of Revenue.

12. May wine obtained from a DWS license holder be resold by a Pennsylvania resident?

No. Such wine must be for a resident’s personal use and not for resale. Any person who resells wine obtained from a DWS licensee commits a second degree misdemeanor and is subject to a fine of \$4 per fluid ounce for each container of wine found on the premises where the sale was made (in addition to other criminal penalties). Note: this prohibition on reselling wine does not apply to licensees who acquire wine from licensed limited wineries.

13. Will the PLCB charge a processing fee for wine ordered from a DWS license holder?

No. The PLCB may not charge a processing fee for wine pursuant to a DWS license.

14. How may the wine sold by a DWS license holder be transported to Pennsylvania residents?

Delivery of wine must be made by a licensed transporter-for-hire. Persons interested in obtaining a transporter-for-hire license must file an application in [PLCB+](#).

15. Does a limited winery licensee who obtains a DWS license also need to obtain a transporter-for-hire license?

No. A limited winery would not have to obtain a transporter-for-hire license to transport its wine to Pennsylvania residents.

16. Does a DWS license allow its holder to sell only its own products?

DWS licensees may only sell their own wine. However, a limited winery licensee holding a DWS license may sell products in addition to its own wine, as long as it adheres to the guidelines as set forth in section 505.2 of the Liquor Code.