

NOTICE
SHIPMENTS OF WINE TO RESIDENTS OF SOUTH CAROLINA

TO: Wine Manufacturers

FROM: South Carolina Department of Revenue

RE: Out-of-State Shipper's License

The General Assembly recently enacted legislation (ACT #40 of 2003) that provides various amendments to South Carolina Alcoholic Beverage laws. Wine manufacturer's located within or outside this State may ship up to twenty-four bottles of wine each month directly to a resident under the following conditions:

- The resident must be at least twenty-one years of age.
- The shipment of wines under these circumstances must be for the resident's personal use or consumption and not for resale.
- The alcohol content of any such wines shall not exceed 16% by volume.

Before sending a shipment of wines to residents, the out-of-state manufacturer must first obtain an out-of-state shipper's license and a retail license. To make shipments without applying for this license is prohibited. To obtain these licenses, the manufacturer should:

To Obtain an Out-of-State Shipper's License

- Complete application form ABL-571 and mail to the Department of Revenue (Department). Address: SCDOR, ABL Section, Columbia SC 29214-0908
- Pay an application license fee of \$600 and
- Provide to the Department a true copy of your current wine producer and blender's basic permit issued in accordance with the Federal Alcohol Administration Act.

The out-of-state shipper's license will be sent to you after processing is completed. This is a biennial license and must be renewed on or before August 31 of each applicable year by paying a renewal fee and providing a true copy of your current alcoholic beverage license issued in another state. Should you have any questions concerning the out-of-state shipper's license, please call our alcoholic beverage licensing section at (803) 898-5185.

To Obtain a Retail License

- Complete a retail license application, SCTC-111 and mail to the Department at the letterhead address. You can register and make payment electronically by going to our website at: **www.sctax.org**
- Pay a one time fee with the application of \$50.

After registering, a retail license and a packet of general information will be provided explaining the requirements for filing and paying sales tax. To ask any questions concerning this form, please call our licensing department at (803) 898-5872 or visit our website at: **www.sctax.org**

In addition to the licensing requirements listed above, out- of-state shippers must:

- Pay all **sales** and **excise taxes** due on sales to residents of this state.
- Permit an audit of the out of state shipper's records upon request.
- Consent to the jurisdiction of this state.

Sales Tax Reporting and Payment

- Sales tax due is based on the **location where delivery is made** in the state.
- The state base rate is 5% and is reported on the ST-3 tax return, a copy of which is included in the retail license packet. You will receive a copy specific to your business closer to the due date.
- Some counties have additional 1% and 2% local option tax rates applicable on deliveries to their county/municipality. These are reported on schedule ST-389 where the appropriate county/municipality is identified. The ST-389 is remitted with the ST-3.
- The return and payment are based on sales between January and December of the preceding calendar year.
- The due date for the return is August 31 of each year.
- If the return and payment is timely, there is a discount calculated on the return.

Should you have questions on the sales tax, please call the sales tax section at (803) 898-5788. Effective in 2004, you will be able to pay your sales tax and file your return via our website at: **www.sctax.org**

Excise Tax Reporting and Payment

You will file the L-2166 return to report the excise taxes due on sale of wines and the total amount of items shipped to residents for use in this state. This return is used to report the excise taxes due on sales of wines in the preceding calendar year (January - December). The return and payment are required to be remitted by August 31 of each year. The L-2166 will be mailed to all license holders at a later date.

Should you have questions on reporting of the excise tax, please call our license tax section at (803) 898-5743.

Labeling Requirements

All containers of wine shipped in accordance with this law must be labeled conspicuously with the words **'CONTAINS ALCOHOL; SIGNATURE OF PERSON AGE 21 OR OLDER REQUIRED FOR DELIVERY'**.

NOTICE RESALE TO WHOLESALERS

A manufacturer making a sale for resale to wholesalers in this state must obtain a certificate of registration from the Department. When a manufacturer ships wine or beer to wholesalers for resale, the manufacturer must:

- File an application ABL-500 form with the Department
- Pay an application license fee of \$400
- Provide to the Department a true copy of its current wine producer and blender's basic permit issued in accordance with the Federal Alcohol Administration Act.

This is, also, a biennial license and must be renewed on or before August 31 of each applicable year. This certificate must be obtained before the manufacturer makes sales for resale to wholesalers in this state.

The application forms mentioned in this notice and additional information are available on our website at: **www.sctax.org**

Should you have questions concerning the out-of-state shipper's license, please call the ABL license section at (803) 898-5185.
