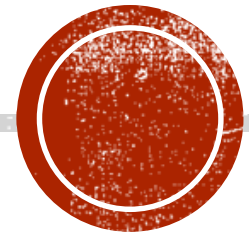
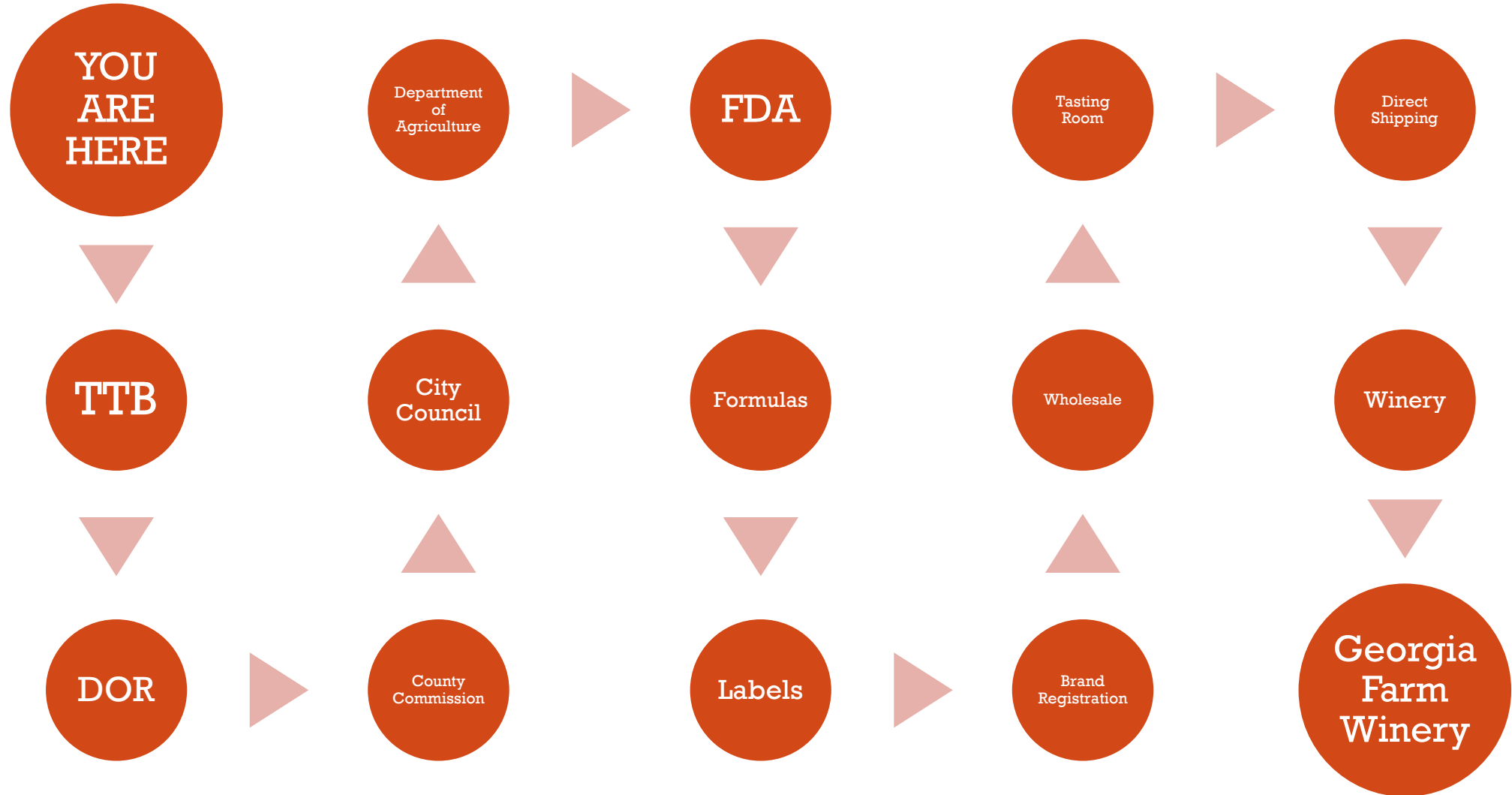




# ALCOHOL LICENSING 101: THE GEORGIA FARM WINERY

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# LICENSES AND PERMITS:

## Principal Alcohol Permits:

- U.S. Department of the Treasury, Alcohol and Tobacco Tax and Trade Bureau (“TTB”), Federal Basic Wine Manufacturers Permit;
- Georgia Department of Revenue, Alcohol and Tobacco Division (“DOR”), Farm Winery Permit; and
- Local Government Manufacturer of Wine License (issued by the local taxing jurisdiction where the winery is located)

## Additional Permits:

- Occupational Tax (Business License)
- Georgia Department of Agriculture
- FDA Food Plant Registration
- Georgia Tax Center
- COLAs Online
- Formulas Online
- PAY.GOV



# FEDERAL ALCOHOL ADMINISTRATION ACT

## What is wine?

- Wine as defined the Revenue Act of 1918 (26 U.S.C. 5381-5392)
- Other alcoholic beverages not so defined, but made in the manner of wine, including sparkling and carbonated wine, wine made from condensed grape must, wine made from other agricultural products than the juice of sound, ripe grapes, imitation wine, compounds sold as wine, vermouth, cider, perry, and sake
- Nonindustrial use that contain not less than 7 percent and not more than 24 percent alcohol by volume

## What is wine manufacturing?

- Engage in the business of producing, blending or bottling wine; or
- While so engaged, sell, offer or deliver for sale, contract to sell, or ship, in interstate or foreign commerce, directly or indirectly or through an affiliate, wine so produced, blended, or bottled.

## Who does it apply to?

- Applies to domestic producers, rectifiers, blenders, and warehousemen

## What does it mean?

- A Federal Basic Permit is required (taxes owed)

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# STATE OF GEORGIA



## Official Code of Georgia Annotated (O.C.G.A)

- **What is wine?**
  - Alcoholic beverage containing not more than 21% ABV made from fruits, berries, or grapes either by natural fermentation or by natural fermentation with brandy added
  - All sparkling wines, champagnes, combinations of such beverages, vermouths, special natural wines, rectified wine, and like products
  - Hard Cider above 6% and below 8.5% ABV
  - Mead Wine 14% or less ABV
  - Does not include cooking wine or denatured wines
- **What is wine manufacturing?**
  - A maker, producer, or bottler of wine



# GEORGIA FARM WINERY:

- (1) Makes at least forty (40) percent of its *annual production* from Georgia grown *agricultural produce*
- (2) Located on premises, a *substantial portion* of which is used for *agricultural purposes*, including the cultivation of grapes, berries or fruits to be used in the wine making
- (3) Is owned and operated by persons who are *engaged* in the production of a *substantial portion* (as determined by the DOR Commissioner) of the *agricultural produce* used in its *annual production*

- Annual Production\*\*
- GA Grown Agricultural Produce\*\*
- Agricultural Purpose\*\*
- Engaged\*\*
- Substantial Portion\*\*\*

\*\*Undefined terms in state alcohol laws or regulations

\*\*\*As determined by the DOR Commissioner





# SO, WHAT DOES THAT MEAN?



## “Annual Production”

- January – December?
- Harvest – Harvest?
- Vintage – Vintage?

## “Agricultural Produce”

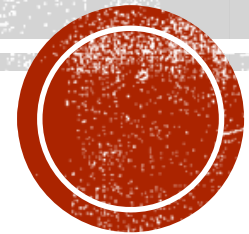
- The general provisions of the Georgia Code defines “agricultural products” in part as “raising, harvesting, or storing of crops; ... producing plants, trees, fowl, or animals; or the production of aquacultural, horticultural, dairy, livestock, poultry, eggs, and apiarian products.” Specifically, “[a]gricultural or farm products are considered grown in this state if such products are grown, produced, or processed in this state, whether or not such products are composed of constituent products grown or produced outside of this state.” (O.C.G.A. § 1-3-3(4.1)).

## “Substantial Portion”



# **“ENGAGED IN THE PRODUCTION”**

- Vineyard Ownership
- Vineyard Lease
- Vineyard Management Agreement
- Vineyard “Control” (Planting, Harvesting = Decision Making)







# WHY BE A “GEORGIA FARM WINERY?”

## ON PREMISES CONSUMPTION AND RETAIL SALES

- Tasting room:
  - “Outlet for the promotion of a farm winery’s wine”
    - Can provide samples (COP)
    - Can sell at retail (PKG)
    - Free or for a fee
    - Can sell the wines of any Georgia Farm Winery
    - Can have up to 5 additional locations
  - Can sell beer, wine and spirits of other manufacturers **at the Winery**

## SELF DISTRIBUTION

- Direct to winery’s tasting rooms and the tasting rooms of any other Georgia Farm Winery
- Special Order Shipping License (12 cases per consumer/address per year)
- Wholesaler License (allowed unless local government prohibits)



# RULE 560-2-10-.04. RECORDS OF PRODUCE; AFFIDAVIT FOR GEORGIA PRODUCTS:

- (1) Licensed farm Wineries shall maintain a record of all produce grown on the licensed premises for use in the production of Wine, showing:
  - (a) The date of harvest;
  - (b) Quantity by weight; and
  - (c) Definition of produce by type.
- (2) Licensed farm Wineries shall maintain a record of all berries, fruits, grapes, or bulk Wines received on the licensed premises for use in the production of Wine, showing the date of receipt, quantity, description, and the name and address of the person from whom received.
- (3) Where the licensed farm Winery claims that the berries, fruits or grapes are Georgia grown products, the records shall include an affidavit of the person from whom the berries, fruits or grapes were received, stating that they are in fact Georgia grown products.
  - (a) Where commercial invoices, bills of lading or prescribed forms contain the required information, a separate record will not be required.





# RULE 560-2-10-.06: MONTHLY REPORTS OF PRODUCTION

- (1) Licensed farm Wineries shall file a monthly report of production with the Commissioner on such forms as the Commissioner may prescribe.
- (2) Exact copies of each report sent to the United States Treasury and any other such documents that the Commissioner may require shall be attached to the monthly report submitted to the Department.
- (3) Upload to GTC





# T A X E S

Tax on Wine that is Removed or Imported During Calendar Years 2018 and 2019*				
	Wine Gallons per Calendar Year			
Tax Class	First 30,000	Over 30,000 up to 130,000	Over 130,000 up to 750,000	Over 750,000
Still Wine				
16% and under alcohol by volume (0.392g CO2/100mL or less)	\$0.07**	\$0.17	\$0.535	\$1.07
Over 16 - 21% alcohol by volume (0.392g CO2/100mL or less)	\$0.57	\$0.67	\$1.035	\$1.57
Over 21 - 24% alcohol by volume (0.392g CO2/100mL or less)	\$2.15	\$2.25	\$2.615	\$3.15
Mead No more than 0.64g CO2/100mL; derived solely from honey and water; containing no fruit product or fruit flavoring; and containing less than (not equal to) 8.5% alcohol by volume	\$0.07	\$0.17	\$0.535	\$1.07
Low alcohol by volume wine No more than 0.64g CO2/100mL; derived primarily from grapes or from grape juice concentrate and water; containing no fruit product or fruit flavoring other than grape; and containing less than (not equal to) 8.5% alcohol by volume	\$0.07	\$0.17	\$0.535	\$1.07
Artificially Carbonated Wine				
Over 0.392g CO2/100mL - injected or otherwise added	\$2.30	\$2.40	\$2.765	\$3.30
Sparkling Wine				
Over 0.392g CO2/100mL - naturally occurring	\$2.40	\$2.50	\$2.865	\$3.40
Hard Cider				
No more than 0.64g CO2/100mL; derived primarily from apples/pears or apple/pear juice concentrate and water; containing no other fruit product or fruit flavoring other than apple/pear; and containing at least 0.5% and less than (not equal to) 8.5% alcohol by volume	\$0.164	\$0.17	\$0.193	\$0.226

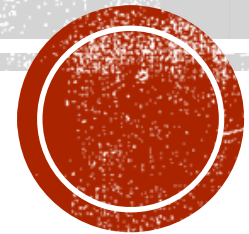
\*\* Ends December 31, 2019 (reverts back to \$1.07 + small producer credits)





# WINE LABELS

- **TTB Allowable Changes**
- **Private Labels**
- **“Claims”**



([https://www.ttb.gov/labeling/allowable\\_revisions.shtml](https://www.ttb.gov/labeling/allowable_revisions.shtml))





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