Oregon Liquor Control Commission

DIRECT SHIPPER PERMIT FOR LICENSEES OUTSIDE OF OREGON

INTRODUCTION

What are the privileges of a Direct Shipper permit?
A Direct Shipper permit allows certain people to ship (deliver) not more than two cases per month of malt beverages, wine, or cider directly to a resident of Oregon. A Direct Shipper permit **does not** allow the holder to ship malt beverages, wine, or cider directly to an Oregon retail licensee.

What are the definitions in Oregon for cider, malt beverage, and wine?
- **Cider** is made from the fermentation of the juice of apples or pears and contains not more than 7% alcohol.
- **Malt Beverage** is made from the fermentation of grain and contains not more than 14% alcohol.
- **Wine** is made via the fermentation process, is not a cider or malt beverage, and contains not more than 21% alcohol by volume. Note: cider containing more than 7% alcohol is considered wine.

What is the fee for a Direct Shipper permit?
The fee is $50 per calendar year regardless of how many types of alcohol you are approved to ship.

For what period of time is a Direct Shipper permit valid?
A Direct Shipper permit expires on December 31 each year. Every year you must renew the permit and pay the $50 fee to maintain a valid Direct Shipper permit. The OLCC will mail you a renewal application every year.

What are the qualifications to obtain a Direct Shipper permit to ship WINE or CIDER?
- You must hold a license issued by a state within the United States other than Oregon and your license must authorize:
  - → The manufacture of wine or cider; and/or
  - → The sale of wine or cider at retail in sealed containers for consumption off the licensed premises.

What are the qualifications to obtain a Direct Shipper permit to ship MALT BEVERAGES?
- You must hold a license issued by a state within the United States other than Oregon and your license must authorize:
  - → The manufacture of malt beverages; and/or
  - → The sale of malt beverages at retail in sealed containers for consumption off the licensed premises.
- AND, your state must allow Oregon licensees to ship malt beverages directly to a resident of your state.

What is a privilege tax?
Oregon assesses a tax on the privilege of shipping malt beverage, wine, or cider into Oregon. This is called a privilege tax. The holder of the Direct Shipper permit is responsible for declaring and paying the privilege tax to the OLCC.

What is a privilege tax bond?
This is a bond the holder of a Direct Shipper permit is required to obtain. It allows the OLCC to collect payment if the privilege taxes are not paid. The minimum bond amount is $1,000. For questions email Debbie Amsberry at Debbie.Amsberry@Oregon.gov

Is there an exception to the requirement to obtain a privilege tax bond?
Possibly. The holder of a Direct Shipper permit with approval to ship **ONLY WINE** may be eligible for a bond waiver (see page 3). There is **no waiver** for malt beverage or cider.

What are the record keeping and reporting requirements?
You must file on a quarterly basis with the OLCC's privilege tax department and pay any owed tax. Reports for the preceding calendar quarter are due on or before the 20th day of Jan, Apr, July, and Oct. When the OLCC issues you a Direct Shipper permit, the privilege tax department will send you all required forms within 30 days. If you have any questions, call Lisa Paulin-Anzaldua at 503.872.5168.

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DIRECT SHIPPER APPLICATION AND AGREEMENT FOR A LICENSEE OUTSIDE OF OREGON

Applicant Name (Entity or Individuals) _____

Trade Name of Business _____

Premises Location _____
(Address) (City) (State) (Zip Code)

Mailing Address _____
(Address) (City) (State) (Zip Code)

Email(s) _____ Fax _____

Name of Contact Person(s) _____ Contact Phone(s) _____

This application is being made to (mark all that apply):

- ☐ Deliver **WINE** to a resident of Oregon.
- ☐ Deliver **CIDER** to a resident of Oregon.
- ☐ Deliver **MALT BEVERAGES** to a resident of Oregon.

Please check the box or boxes that describe the license you hold:
I hold a license issued by a state within the United States other than Oregon and my license authorizes me to:

- ☐ Manufacture malt beverages, wine, or cider.
- ☐ Sell malt beverages, wine, or cider at retail in sealed containers for consumption off the licensed premises.

Please include with your application:

- ☐ Proof of your home state license (enclose a copy or include liquor control website or other means of verification).
- ☐ If you are applying to ship malt beverages, proof that your state allows Oregon licensees to ship malt beverages directly to a resident of your state.
- ☐ $50 fee. Enclose check or money order made payable to OLCC. If your application will be received by the OLCC between October 1 and December 31 please send a total of $100 to cover the renewal fee.
- ☐ Privilege tax minimum bond of $1,000 or bond waiver. If you will ship **only wine** you may be eligible for a bond waiver (please see page 3). If you apply for the bond waiver you must include the bond waiver form with your application.
- ☐ If you manufacture malt beverages, wine, or cider you must include a copy of your federal TTB permit or Brewer's Notice.

Same-Day Delivery of Malt Beverages, Wine, or Cider to a Resident of Oregon

"Same-day delivery" means the Direct Shipper causes a resident of Oregon to receive malt beverages, wine, or cider on the same day the Direct Shipper receives the order from the customer.

- ☐ By checking this box I am requesting approval to provide same-day delivery of malt beverages, wine, or cider to an Oregon resident. I understand I may make such deliveries only as allowed by OAR 845-006-0392 and 845-006-0396. I understand if I don't have approval to provide same-day delivery I must cause a resident of Oregon to receive malt beverage, wine, or cider after the day I receive the order from the customer.

I certify that I have read and will follow OAR 845-006-0392 and 845-006-0396. I affirm that I am authorized to sign this application on behalf of the applicant.

Print Name _____

Signature _____ Date _____

Return to: OLCC, PO Box 22297, Milwaukie, OR, 97269 Phone: 503-872-5123 Fax: 503-872-5018

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BOND WAIVER CERTIFICATION FOR LICENSEES OUTSIDE OF OREGON

The OLCC may waive the required surety bond for licensees or permit holders that meet specific criteria. **If you qualify for a waiver, complete the certification at the bottom of this form and submit it in lieu of a surety bond with your initial permit application and/or renewal application.**

This waiver will need to be received and approved by the OLCC **PRIOR** to your license or permit being issued or renewed.

If you have questions about the privilege tax bond or waiver, please email Debbie Amsberry at debbie.amsberry@oregon.gov.

As per Oregon Revised Statute (ORS) 473.065 (4), unless the OLCC determines that a licensee or permit holder presents an unusual risk for nonpayment of any license fees, privilege taxes, agricultural products taxes or other tax, penalty or interest imposed under this chapter or ORS chapter 471, the OLCC shall waive the bond required under ORS 471.155 (1) for the licensee or permit holder if:

(a) The licensee or permit holder was not liable for a privilege tax under this chapter in the immediately preceding calendar year and does not expect to be liable for a privilege tax under this chapter in the current calendar year; or

(b) The licensee or permit holder of a business established during the current calendar year does not expect to be liable for a privilege tax under this chapter in the current calendar year.

ORS 473.050 (5) **No privilege tax** shall be levied, collected or imposed upon the first 40,000 gallons, or 151,000 liters, of wine sold annually in Oregon from a United States manufacturer of wines producing less than 100,000 gallons, or 379,000 liters, annually.

Unusual Risks:

1. Non-reporting: licensee or permittee has not filed its privilege tax statements or its Oregon Wine Board statement by the required due date.
2. Licensee or permittee checks returned to OLCC for non-sufficient funds.
3. Any activity that is noncompliant with Commission statutes or rules.

APPLICANT / PERMITTEE NAME _____

TRADE NAME (OF BUSINESS) _____

PERMIT/LICENSE TYPE _____

PREMISES ADDRESS _____ **CITY/STATE** _____

CONTACT PHONE NUMBER _____ **EMAIL** _____

I certify, as a licensee or permittee, that I owed no privilege tax in the prior calendar year and will not owe any tax in the current calendar year. I request a waiver for the bond required under ORS 471.155.

I certify that I am the duly appointed and authorized representative and that the foregoing statement is true and complete.

PRINT NAME _____

SIGNATURE_____ **DATE** _____