

Distillery Store Manual Addendum April, 2024

Dear Distillers,

It has come to our attention that a portion of text that was meant to remain in the Distillery Store Manual was removed and put into the Guide to MIPS Pricing document. Please consider this addendum part of the Manual moving forward. This text will be officially reincorporated in a future update.

Subject to the requirements of Code of Virginia § 4.1-119, Virginia ABC shall fix the retail prices at which distilled spirits are sold in the Distillery Store. Consistent with Virginia ABC's responsibility to establish retail prices, Distillery Stores may only sell distilled spirits in sizes and at prices approved by Virginia ABC. The sale of distilled spirits in unapproved sizes or prices shall constitute a violation of the terms and conditions of the Distillery Store Agreement ("DSA"). No discounts may be given to customers without Virginia ABC approval.

Retail consumers (non-licensees), licensees, and the distillery itself must pay the same price for product. Any attempt to vary prices shall constitute a violation of the terms and conditions of the DSA and may result in sanctions. For errors in reported sales due to ringing the wrong code, incorrect price, or similar mistakes, Virginia ABC reserves the right to require the difference in the higher of the approved price and the actual price charged be remitted to Virginia ABC upon monthly reporting.

In addition to appropriate prices, only the appropriate sales tax is to be charged to and collected from customers for retail sales. Distilleries are responsible for ensuring that the appropriate sales tax is being charged on all sales platforms, including those used for online sales and remote event sales. Sales tax rates can be found here <https://www.tax.virginia.gov/sales-tax-rate-and-locality-code-lookup> and should be confirmed **prior** to attending a remote event. Mixed beverage licensees do not pay sales tax on purchases of distilled spirits. For sales to qualifying tax-exempt entities such as non-profits and foreign diplomats who present copies of their tax-exempt letters or cards, a copy of the letter should be retained for recordkeeping, and the tax-exempt sale should be recorded in the appropriate line, "Other Tax Exempt" and in the note box.

All distilled spirits available for sale on any sales platform must be made available to all customers, both retail and licensee. Under no circumstances are distilleries permitted to restrict sales and availability of certain items to select customers/licensees in which the select customer/group receives special access or pricing, unless the sale is a pre-arranged barrel-pick approved by Virginia ABC. Distillers shall not hide or leave bare the shelf space for products that are made available for sale to licensees. For example, larger sizes typically purchased by licensees should be in stock, visible, noted in menus, and available for sale to regular retail customers both in store and online if the distiller conducts online sales.