

## The Compliance Corner

By Mary Beth Williams

### Neighborly Spirit

It's been a busy few weeks for our neighboring states; both Maryland and Tennessee changed their positions on direct to consumer shipping, and Virginia wineries stand to gain from their efforts. The changes in both states are expected to become effective on July 1.

**Tennessee** – Previously, wineries could only ship to consumers in “wet” counties, which made the logistics of shipping to Tennessee somewhat daunting. There was legislation forwarded to the governor earlier this week that would allow direct to consumer shipping to any county in Tennessee, regardless of whether it's considered a “wet” or “dry” county. The governor has been outspoken in his support of this measure, and is expected to sign it in the next few weeks. The application process will not change, and wineries that are currently licensed to ship to TN will automatically be able to ship to the new counties without further application or amendment.

**Maryland** – Yesterday, the Governor signed the bill allowing direct shipping to Maryland consumers. The Comptroller's office is already working on the application for the license that will be required, but we don't know what the final product will look like, or what the expected turnaround time for license processing will be. MD is generally pretty quick to turn applications around, but they are expecting a crush of applications immediately after July 1, so the initial turnaround times will likely be slower than normal. Here is what we know about the requirements though:

1. A winery can ship 18 cases a year to a MD resident. This is per winery, not cumulative.
2. There will be a \$1000 bond required as part of the application package.
3. The license fee will be \$200 annually.
4. The license will allow shipments to consumers in ALL MD counties, including Montgomery.
5. The sales tax that will be assessed on direct to consumer sales is 9%.

If you're interested in either of these licenses, let us know. We'd be happy to help you get them, and as always, VWA members eligible for Preferred Partner discounts receive a 20% discount off our services.

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