

# The Compliance Corner

By Mary Beth Williams

## Reporting, Brand Registrations, and Food Service, Oh My!

It was good to get to meet so many of you at the VWA Annual Meeting. During the compliance session, we touched on a number of issues with industry-wide impact. We'll go into more detail on these and more issues at the [Regulation and Rules Roundup](#) at Doukenie in Northern Virginia on December 18, but I wanted to pass on the basics of some of the items we discussed at the meeting.

**Reporting** - The monthly report you file with ABC is about to get easier. ABC has agreed that 1 Purchase Order per month will suffice, and the VWA has been working with ABC to create a streamlined, winery-specific report. A copy of that report can be found [here](#). It is a concise, 1 page report, and essentially requires a total of liters sold for the month, calculation of tax liability, and the purchase order number that covers the month. This report and your Purchase Order will be the only 2 items that need to be submitted to the state each month. **However, 2 things to note: 1) You do still have an obligation to keep a copy of the corresponding invoice ON SITE, but it is not included in the monthly report. 2) This report will become effective with the filing you do in January, so please use the current report for your December filing.**

**ABC Product Registration and COLA Changes**- As discussed in the July 2012 Compliance Corner, as of July 1, you can make a number of changes to your labels without needing to apply for a new COLA. A full list of those changes can be found [here](#). The allowance that seems to have the broadest impact is that a change in alc % even across tax classes doesn't require a new COLA so long as it doesn't change the class/type of the wine. As a result, I'm recommending that clients use the generic "red wine" etc. instead of "red table wine" or "dessert wine", which indicate an alcohol %, on their labels so they can take advantage of this change. **NOTE**, however, that while you may not need a new COLA in this situation, your labels still have to have an accurate alc % on them, within the permitted tolerances of 1.5% for wines below 14% and 1% for wines above 14%. For COLA purposes, that 14% threshold no longer matters, but IT DOES STILL MATTER for labeling and taxation purposes.

ABC confirmed that they will NOT require label revision submissions and fees for those changes permissible without obtaining a new COLA, with 2 exceptions: 1) if the appellation of your wine changes; and 2) if the stated

varietals in your blend change. It's important to note that you don't need a new COLA or product registration if it's just the % of the stated varietals that change. For example, if the label on your red blend originally stated that the wine was: 40% CS, 40% Merlot, 10% CF, and 10% PV, and this year's vintage is made up of: 40% CS, 25% Merlot, 25% CF, and 10% PV, you don't need a new COLA or a new product registration. If your new blend is made up of 40% CS, 40% Merlot, 10% CF, and 10% Norton, it's considered a new product, and will need both a new COLA and a label revision at the state level.

**Food Service** - We were able to get VDACS and VDH to better define what food service is permitted without needing additional licensure from VDH. A copy of that statement is attached [here](#).

We'll discuss these topics in more detail as well as other changing issues at the Regulation and Rules Roundup at Doukenie on December 18, so if you have any questions, please send them in and we'll try to address those as well. REMEMBER that ABC reps will be on hand for a step by step reporting session beginning at 10 am, and the Roundup will begin at 1 pm.

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