

2009 TTB Expo Presentation

State ABC Panel

Presented by

Gary E. Jones

Ohio Division of Liquor Control



Ohio Department of Commerce



Ted Strickland
Governor

Kimberly A. Zurz
Director

Ohio Department of Commerce Division of Liquor Control



Terry Poole
Superintendent

Bruce D. Stevenson
Deputy Superintendent

Ohio Department of Commerce Division of Liquor Control



Gary E. Jones
Chief
Investigations and Compliance



Ohio Department of Commerce Division of Liquor Control



Ohio Department of Public Safety Investigative Unit



Ohio Attorney General's Office



Ohio Liquor Control Commission

Division of Liquor Control

- Responsible for controlling the manufacture, distribution, and sale of all alcoholic beverages in Ohio.
- The Division is the State's sole purchaser & distributor of spirituous liquor.
- There are approximately 24,000 issued permits, including manufacturers, distributors, & retailers.
- Spirituous liquor is sold through 438 liquor agencies (private businesses contracted with the Division).



Ohio Department of Commerce Division of Liquor Control



Ohio Department of Public Safety Investigative Unit



Ohio Attorney General's Office



Ohio Liquor Control Commission

ODPS Investigative Unit

Responsible for:

- The enforcement of the majority of Ohio's liquor laws and rules at licensed and non-licensed locations (underage sales, after hours sales, Sunday sales, drugs, gambling, improper conduct, advertising violations, etc.).
- Enforcing USDA food stamp laws.
- Investigating tobacco sales violations.



Ohio Department of Commerce Division of Liquor Control



Ohio Department of Public Safety Investigative Unit



Ohio Attorney General's Office



Ohio Liquor Control Commission

Attorney General's Office Liquor Unit

- Responsible for the prosecution of all violations/citations before the Liquor Control Commission.
- Schedules all hearings before the Commission.
- Issues subpoena for any witnesses required to attend a Commission hearing.
- Represents the Division of Liquor Control on any appeals of division decisions before the Commission.
- Represents the Commission on any appeals of commission decisions through the court system.



Ohio Department of Commerce Division of Liquor Control



Ohio Department of Public Safety Investigative Unit



Ohio Attorney General's Office



Ohio Liquor Control Commission

Liquor Control Commission

- Is a neutral and independent agency comprised of three members appointed by the Governor.
- The Commission hears citation cases concerning alleged violations of Ohio's liquor laws and rules.
- The Commission considers the merits of each case and has the authority to suspend or revoke the liquor permit if it finds the permit holder guilty. They can also impose a monetary fine in lieu of suspension and /or revocation. In addition, the commission hears appeals.
- The Commission has general policy-making powers regarding production, sales, advertising, etc.



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Ohio Department of Commerce Division of Liquor Control



Two Primary Sections:

Agency Operations

Licensing

Agency Operations

- The Division of Liquor Control is the State's sole purchaser & distributor of spirituous liquor
- The Division is responsible for the approval and listing any spirituous liquor product sold in Ohio
- Spirituous liquor is distributed through a bailment system to Agency Stores

Agency Stores

- Sell spirituous liquor (all intoxicating liquors containing over 21% alcohol by volume)
- Private businesses operating under contract with the Division
- Agency Stores are approved for wholesale and/or retail sales
- 438 approved Agency Stores

Ohio Department of Commerce Division of Liquor Control



Two Primary Sections:

Agency Operations

Licensing

3 Tier System

24,000 issued permits to manufacturers,
distributors and retailers

Manufacturers: **“A”** class permit

Distributors: **“B”** class permits

Retailers: **“C”** & **“D”** class permits (quota permits)

Temporary Retail Events: **“F”** class permits

Licensing Requirements

Ownership

- A Permit may be issued to an Individual, Partnership, Association, Corporation or LLC
- Individual, Partnership & Association: Must disclose all partners or members of an Assoc.
- Corporation & LLC: Must disclose 5% or more shareholders, managing members, members controlling 5% or more voting or membership interest. Top 5 officers

Licensing

Manufacturers: “A” Class Permit

- **A-1** Manufacturer of beer \$3,906
- **A-2** Manufacturer of wine (allows sales & consumption by the glass or container on premises) \$76
- **A-1-A** Allows sales of beer & any intoxicating liquor by the glass or container on an **A-1** or **A-2** premises only, until 2:30 a.m. \$3,906

Licensing

Manufacturers: “A” Class Permit

- **A-3** Manufacture, import and sell alcohol & spirituous liquor
< 500 barrels = \$2.00 per barrel or \$3,906
- **A-3a** Certain distillers manufacturing < 10,000 gallons of spirituous liquor a year.
Manufacture, import and sell alcohol & spirituous liquor. Also allows sales at premises of manufactured product in sealed containers to personal consumer
< 500 barrels = \$2.00 per barrel or \$3,906

Licensing

Manufacturers: “A” Class Permit

- **A-4** Manufacture and sell certain prepared mixed drinks, import for blending purposes \$3,906

Licensing

Distributors: “B” Class Permit

- **B-1** Distributor & importer of beer \$3,125
- **B-2** Distributor of bottled wine \$500
- **B-3** Distributor of sacramental wines \$124
- **B-4** Distributor & importer of mixed bottled beverages \$500
- **B-5** Distributor, importer & bottler of wine \$1,563

Licensing

Direct Shipping Permits

- **B-2A** Allows sales directly to retail permit holders by certain wine manufacturers, brand owners, or importers; or, designated agents of a brand owner or importer \$25
- **S** Allows sales and shipment of wine to personal consumers via mail by certain manufacturers, brand owners or importers; or, designated agents of a brand owner or importer \$25

B-2a Permit

Shipping of Wine by Ohio and Out of State Wine Manufacturers

- B-2a Permit:

The B-2a class permit allows an Ohio or out of state winery to sell wine directly to retail permit holders (class C or D). A B-2a permit holder may sell to a retail permit holder only wine that the Ohio or out of state winery has manufactured

B-2a Permit

Shipping of Wine by Ohio and Out of State Wine Manufacturers

- B-2a Permit:

In addition, the B-2a permit holder shall collect and pay all applicable Ohio taxes and shall comply with ORC Chapters 4301 and 4303 and any rules adopted by the Liquor Control Commission (LCC)

B-2a Permit

Shipping of Wine by Ohio and Out of State Wine Manufacturers

- B-2a Permit:
- The B-2a class permit may be issued to a manufacturer of wine that is entitled to a tax credit under 27 C.F.R. 24.278
- And that produces less than 250,000 gallons of wine per year
- The fee for the B-2a permit is \$25.00

S Permit

Shipping of Wine by Ohio and Out of State Wine Manufacturers

- S Permit:

The S class permit allows an Ohio or out of state winery to sell wine directly to personal consumers (residents) in Ohio by receiving and filling orders that the personal consumer submits to the permit holder. The Ohio or out of state winery shall sell only wine that they have manufactured

S Permit

Shipping of Wine by Ohio and Out of State Wine Manufacturers

- S Permit:
- The S permit may be issued to a manufacturer of wine that is entitled to a tax credit under 27 C.F.R. 24.278
- And that produces less than 250,000 gallons of wine per year
- The fee for the S class permit is \$25.00

S Permit

Shipping of Wine by Ohio and Out of State Wine Manufacturers

- S Permit:
- It is the responsibility of the S permit holder to collect and pay all applicable taxes
- And prior to sending wine to a personal consumer, make a bona fide effort to ensure that the personal consumer is at least 21 years old

S Permit

Shipping of Wine by Ohio and Out of State Wine Manufacturers

- S Permit:
- In addition, the wine must be shipped via an H permit holder who must also verify that the personal consumer is at least 21 years old by checking the personal consumer's driver's license, commercial driver's license, or identification card issued under ORC Sections 4507.50 to 4507.52, or military ID

S Permit

Shipping of Wine by Ohio and Out of State Wine Manufacturers

- S Permit:

The wine shall also be shipped in a package that clearly has written on it in bold print the words “alcohol enclosed”

S Permit

Shipping of Wine by Ohio and Out of State Wine Manufacturers

- S Permit:

No family household shall purchase more than 24 cases of wine in one year for personal consumption only

Supplier Registration

- All out of state suppliers must register to conduct business in Ohio. Out of state suppliers include breweries, wineries, marketing companies or importers
 - Types of Suppliers:
 - S-1 Beer
 - S-3 Spirituous Liquor
 - S-4 Mixed Beverages
 - S-5 Wine
 - \$100 Processing Fee. \$300.00 Annual Renewal *
 - Expires June 30th (Renewal application mailed May 1st)
- * (See S-5 Exception on next page)

Supplier Registration

Supplier Registration Fees (Exception)

for B-2a & S permit holders **that hold only an S-5:**

- A manufacturer that produces and ships wine into Ohio and holds only an S permit is fee exempt
- A manufacturer that produces and ships wine into Ohio and holds a B-2a is required to pay \$76
- A manufacturer that ships wine into Ohio and does not hold either a B-2a or S permit, but qualifies (by tax credit & production) is required to pay \$76

Product & Label Registration

- Each new beer or intoxicating liquor product sold in the State Of Ohio requires registration of the product
- Registration of the product is completed by submitting:
 - Application for Label Registration Form (DLC 1511) and the following:
 - Copy of Federal Label and Product Approval
 - Territory Designation Form (except for Spirituous Liquor)
 - One complete set of Labels
 - \$50 Fee

Product & Label Registration

- B-2a and S permit holders are required to file registration of the product for any product shipped into Ohio
- A B-2a or S permit holder that does not sell to a Distributor is not required to file a Territory Designation Form

Solicitor Registration

- Individuals working as agents, solicitors or salespersons in the State of Ohio must register as a Solicitor if they are employed by an Ohio manufacturer, Ohio distributor, out of state supplier, vendor or broker
- Application for Solicitor Registration Form (DLC 1504) requires the signatures of the applicant and an official of the company. The form must then be notarized and must also include the following:
 - A letter from company verifying applicant's employment and duties
 - \$50 Fee. Biennial renewal on Solicitor's birthday
- Note: Upon employment termination, solicitor cards must be returned to the Division

Contacts

Ohio Department of Taxation

- Excise Tax and Motor Fuel Division:

Ralph L. Perumal, Tax Compliance Agent

(614) 466-3424

E-mail: ralph_perumal@tax.state.oh.us

- Sales and Use Tax Section:

(Sales Tax for Personal Consent or S Permits)

(614) 466-7351

www.tax.ohio.gov

Contacts

Ohio Division of Liquor Control:

Beer and Wine Section:

(614) 644-2411

www.com.ohio.gov/liqr



Resources



Ohio Investigative Unit: www.oiu.ohio.gov

Columbus Central Office: 614/644-2415



Ohio Division of Liquor Control: www.com.ohio.gov/liqr

Licensing Section - General Inquiries: 614/644-2360



Ohio Liquor Control Commission: www.lcc.ohio.gov

General Inquiries: 614/466-3132



Ohio Attorney General's Office: www.ag.state.oh.us

Liquor Unit: 614/644-2401