

# Alcohol Tax Notice

Notice #20-02 March 2020

# Registration of Wine Brands

## **Brand Registration**

The Department of Revenue is responsible for registering all brands of domestic and imported wine in Tennessee. Tenn. Code Ann. § 57-3-301(a)(3) defines "brand" as the "name, trademark, or trade name of the product, as indicated on the certificate of label approval as registered with the alcohol and tobacco tax and trade bureau of the United States department of the treasury."

Prior to the amendment of Tenn. Code Ann. § 57-3-301(a), Tenn. Comp. R. & Reg. 1320-4-6-.05(2) ("Rule 5") instructed the Department to register imported wine using the importer's name. Registering imported wines under Rule 5 allowed two or more importers to introduce the same wine product into Tennessee as separate brands contrary to current law.

## **Registration of Wine by Brand Name**

Beginning June 1, 2020, the Department will register both domestic and imported wine brands using the product's brand name, as listed in Box 6 on the product's Certificate of Label Approval (COLA).

If the wine is sold without a brand name, the Department will register the wine using the name of the bottler, packer, or importer, whichever is required to appear on the product label in accordance with federal regulations.

For *domestic* wines without a brand name, the Department will use the name of the *bottler* as the brand name. For *imported* wines without a brand name, the Department will use the name of the *importer* as the brand name.

## **Importer and Wholesaler Distribution Rights**

Due to this change in the brand registration process, the distribution rights of some importers and wholesalers of imported wine may be affected.

The importer or wholesaler who first registered the brand will retain the existing registration. Subsequent importers and wholesalers will lose distribution rights to any such brands. However, any such distribution rights will not terminate until May 31, 2020.

#### **Notification by Department**

Beginning in March 2020, the Department will contact via letter all affected importers and wholesalers. The letter will inform these importers and wholesalers that:

- The Department intends to not renew their right to the brand;
- They have the right to an administrative hearing to contest the non-renewal; and
- They have until May 31, 2020 to sell any affected inventory to which they no longer have distribution rights.

#### For More Information

Visit <u>www.tn.gov/revenue</u>. Click on Revenue Help to search for answers or to submit an information request to one of our agents.

#### References

Tenn. Code Ann. § 57-3-301

**Disclaimer:** The information provided here is current as of the date of publication but may change as a result of new statutes, regulations, or court decisions. While this notice is intended to be comprehensive, events and situations unanticipated by this notice may occur. In such cases you should contact the department or your tax professional for further guidance.