

Frequently Asked Questions: Wine Expanded Permits

The following Q&As address questions regarding the wine expanded permits (WEP) created by Act 39 of 2016.

1. What is a WEP?

A WEP allows restaurant and hotel licensees to sell bottles of wine to patrons for off-premises consumption.

2. Who is eligible to hold a WEP?

PLCB restaurant and hotel liquor licensees are the only entities eligible to apply for and hold WEPs.

3. Does a restaurant liquor license, for purposes of the WEP permit, include airport restaurant liquor licenses, economic development restaurant liquor licenses, municipal golf course liquor licenses, off-track wagering restaurant liquor licenses, and privately owned public golf course liquor licenses?

Yes. These liquor licensees already hold the privilege of selling beer-to-go, so they may apply for a WEP.

4. Does a restaurant liquor license, for purposes of the WEP permit, include public venue licenses, performing arts facilities licenses or continuing care retirement community licenses?

No. While public venue liquor licenses, performing arts facilities liquor licenses or continuing care retirement community liquor licenses are similar to restaurant liquor licenses, each of these licenses is expressly prohibited from selling beer for off premises consumption. Therefore, they are not eligible to acquire a permit that would allow them to sell wine for off-premises consumption.

5. What is the procedure for applying for a WEP?

Licensees/applicants must file online through <u>PLCB+</u>.

6. How soon can an application be filed for a WEP?

The Bureau of Licensing began accepting requests for WEPs on August 8, 2016, via <u>PLCB+</u>.

7. How long will it take, once a request has been filed, to receive a WEP?

The request for a WEP will be evaluated as required under Act 39 of, and the permits will be issued in a timely manner thereafter, pending completion of review of the requests.

8. What is the cost of a WEP?

There is an initial \$2,000 application fee and an annual renewal fee of 2% of the total cost of wine purchased from PLCB stores for off-premises consumption during the previous renewal/validation licensing period.

9. When is the annual renewal fee due for WEPs, and how is the fee calculated?

The annual renewal fee will be due at the time of the restaurant or hotel liquor licensee's renewal/validation. The annual fee is derived by finding the total cost of wine purchased from PLCB stores for off-premises sales for the previous renewal/validation period.

10. May a neighbor who resides within 500 feet of the entity applying for a WEP file a protest with Licensing?

No. Residents located within 500 feet cannot file a protest to a WEP application.

11. May a licensee or a restrictive institution located within 200 and 300 feet, respectively, of the entity applying for a WEP file a protest with Licensing?

No. Licensees and/or restrictive institutions may not file protests to a WEP.

12. May a petition-to-intervene be filed with Licensing regarding an entity applying for a WEP?

No. A petition-to-intervene may not be filed regarding a WEP.

13. May neighbors, restrictive institutions, or other licensees have any input into a WEP application?

No. However, if the restaurant or hotel liquor licensee files an application to expand its licensed premises to include a larger area to accommodate its wine-to-go sales, then proximity would apply just like in any other extension application. The extension application would be subject to the normal posting requirements and would be subject to potential protests and petitions-to-intervene.

14. May a restaurant or hotel liquor licensee, whose liquor license has pending objection(s) from the Bureau of Licensing, receive a WEP?

No. A WEP cannot be issued to a restaurant or hotel liquor licensee whose license is subject to a pending objection from Licensing under section 470(a.1) of the Liquor Code. However, if the

licensee already holds a WEP, it can continue to use it while the licensing matter is pending, assuming that it is currently authorized to sell alcohol.

15. May a WEP holder purchase its wine for sale to its patrons for off-premises consumption from limited winery licensees?

Yes. A WEP holder must purchase its wine that will be sold for off-premises consumption from a PLCB store or a PLCB limited winery licensee.

16. Is there a limit to how much wine a WEP holder may sell to-go to a patron in a single transaction?

Yes. A WEP holder may sell up to 3,000ml (3 liters) of wine in a single transaction to a patron. (For example, a typical bottle of wine is 750ml, which would equate to four bottles). A patron who wants to purchase additional wine-to-go must remove his/her purchased wine from the licensed premises before purchasing additional wine.

17. During what hours may a WEP holder sell wine-to-go?

Monday through Saturday from 7:00 a.m. until 11:00 p.m. and Sunday from 11:00 a.m. to 11:00 p.m. with a Sunday sales permit; however, if the WEP offers meals at 9:00 a.m. otherwise, the normal operating hours for the restaurant or hotel liquor licensee have not changed. Note: sales of beer-to-go may continue until 2:00 a.m.

18. May a WEP holder sell its wine-to-go at any location on its licensed premises?

Yes. However, a WEP holder's sales of wine-to-go must occur at a cash register that is specifically designated and identified for the sale of wine-to-go. This designated cash register must be staffed at all times by a cashier who is at least eighteen years old and this cashier must be RAMP-certified. Note: self-service checkouts do not qualify for the designated cash register.

19. Does the requirement "staffed at all times" require an employee's full time presence at the cash register?

No. The employee/sales clerk does not have to physically be stationed at the cash register at all times, as long as he/she is physically present within the licensed area. There is nothing that would prohibit the employee/sales clerk from performing other tasks, such as cleaning or stocking shelves, within the licensed area when there are no patrons within the vicinity of the cash register.

20. May a WEP holder sell malt or brewed beverages, spirits, or wine for on-premises consumption at its cash register designated for sales of wine-to-go?

Yes. Malt or brewed beverages, spirits, and wine for *on-premises consumption* may be sold at the same cash register that is designated for the sale of wine-to-go.

21. May a WEP holder sell malt or brewed beverages for off-premises consumption at its cash register designated for sales of wine-to-go?

Yes. Malt or brewed beverages for *off-premises consumption* may be sold at the same cash register that is designated for the sale of wine-to-go.

22. May a WEP holder sell non-alcoholic items, such as milk, bread, and fruit, at its cash register designated for sales of wine-to-go?

Yes. Non-alcoholic items may be sold at the cash register designated for sales of wine-to-go. Single serving and bulk items can both be sold at this cash register. Note: liquid fuels and oil still cannot be sold on the licensed premises, which would include the cash register designated for the sales of wine-to-go.

23. Does a WEP holder have to use a transaction scan device to check the identification of a patron who is purchasing wine-to-go?

Yes, if the patron appears to be under thirty-five years old.

24. May a minor be on a WEP holder's premises where wine is being sold to-go?

Yes, the minors frequenting rules in section 493(14) of the Liquor Code do not apply to a WEP holder for purposes of selling wine-to-go. This means that the minors frequenting rules do not apply at the designated wine-to-go cash register. However, the minors frequenting rules continue to apply in all other parts of the licensed premises.

25. At what price may a WEP holder sell its wine-to-go?

The PLCB does not set retail licensees' prices; however, a WEP holder cannot sell wine-to-go for a price that is lower than the price at which it purchased the product from a PLCB store.

26. May a WEP holder sell a private label wine product as wine-to-go?

No. A WEP holder may not sell a private label product, which is defined as a product made by a manufacturer for the exclusive right of a specific retailer, on a wine-to-go basis.

27. Does a WEP holder have to be RAMP-certified?

Yes. This would require the licensee to meet the provisions set forth in section 471.1 of the Liquor Code: manager/owner training, seller/server training, new employee orientation and the displaying of responsible alcohol service signage.

28. Must a WEP holder store its wine-to-go at the same location where its sales of wine-to-go occurs?

No. As long as the area is not accessible to the public, locked at all times, not accessible to employees under eighteen years old, and is part of the licensed premises, storage of wine-to-go may occur at a location that is separate and apart from the sales location.

29. May a WEP holder store its wine for off-premises consumption anywhere else other than its licensed premises?

In addition to the licensed premises, a WEP holder may store wine for off-premises consumption off-site if the off-site location is licensed as a bailee-for-hire. A bailee-for-hire license authorizes its holder--the bailee--to store wine owned by someone else. A fee may be charged for this storage.

Since a bailee-for-hire stores wine other than its own, a WEP holder that wishes to store wine offsite must either make arrangements to do so with an existing bailee-for-hire licensee, or it may create a separate legal entity and apply for a bailee-for-hire license in the name of the newly created entity. For example, Fox Markets, Inc. could hire an existing bailee-for-hire to store Fox's wine, or it could create another entity, Fox Storage, Inc. and obtain a bailee for hire license for this new entity. What Fox Markets, Inc. cannot do is obtain a bailee-for-hire license for Fox Markets, Inc. because a bailee-for-hire is not permitted to store its own wine.

30. Does a WEP holder have to pay Pennsylvania sales tax on wine purchases at a PLCB store that will be sold for off-premises consumption?

Yes, WEP holders must pay sales tax on purchases of wine made from a PLCB store at the time of purchase, just as they would for any other product purchased from a PLCB store. However, WEP holders may recover the tax paid on the original purchase price when filing their Sales, Use, and Hotel Occupancy Tax Return with the Pennsylvania Department of Revenue.

According to the Department of Revenue, this credit is commonly referred to as "Taxes Paid – Purchases Resold" (TPPR). A licensee may claim a TPPR credit on a sales tax return within three years of a purchase that is resold or leased.

The amount of TPPR credit may not exceed the total amount due for that return or be less than zero. Unused TPRR credits can be carried forward on subsequent returns. The licensee should keep documentation supporting the TPPR credit taken for at least three years from the date when the return was filed.

31. Does a WEP holder have to collect Pennsylvania sales tax from its patrons?

Yes, WEP holders are required to collect the sales tax from its patrons to whom they sell wine-to-go and remit the sales tax to the Pennsylvania Department of Revenue.

32. Can a WEP holder with multiple locations consolidate its wine-to-go purchases?

Yes. Each retail license is assigned its own unique license identification number (LID) and all purchases of wine by that licensee are associated with that particular LID. However, if the WEP holder holds more than one license in the same legal entity, e.g., it holds ten licenses under the name Fox Markets, Inc., it may consolidate its orders. Further, it may reassign the purchased wine from one of its LIDs to another. However, wine (and all alcohol) must always have a LID assigned to it and if the wine is physically located at a particular retail location, the wine must be assigned that particular LID.

33. Are there any special rules that a WEP holder should adhere to when it comes to ordering wine from the PLCB?

WEP holders ordering 20 or more full cases per order (200 or more bottles) of in-store/listed product are required to submit orders through the Licensee Online Order Portal (LOOP). They may receive product either by direct delivery from a PLCB distribution center through the Licensee Delivery Program (LDP) or by designating a Licensee Service Center as the pick-up location. WEP holders requiring larger quantities of wine or certain products not currently in stock may wait longer to receive those products.

WEP holders should contact the Office of Wholesale Operations at 844-363-WINE (9463) or <u>wineexpansionsales@pa.gov</u> to discuss and plan the wines and volumes they anticipate buying from the PLCB for wine-to-go resale.

WEP holders ordering less than 20 cases (less than 200 bottles) at a time of in-store/listed product may place orders through LOOP or a Fine Wine & Good Spirits store, although it is highly recommended that they use LOOP.

In order to maintain sufficient store inventory for other customers, the PLCB reserves the right to refuse processing an order through a store, or limit the quantities that may be purchased at a store. Advance submission of orders through LOOP will lessen the likelihood a store will be unable to fulfill an order.