The Beer Wholesaler and/or Table Wine Distributor License

What is it?
How do I get one?
What can I do with it?
**What is a beer wholesaler and/or table wine distributor license?**

A person may have a stand-alone beer wholesaler license, a stand-alone table wine distributor license or a combined beer wholesaler and/or table wine distributor license. A beer wholesaler license may have multiple sub-warehouses but a table wine distributor license may only have one sub-warehouse. A combined beer wholesaler and/or table wine distributor license may have multiple sub-warehouses where both beer and table wine can be stored.

The following definitions apply:

*Beer Wholesaler*: means a person who imports into, or purchases in Montana, beer for sale or resale to licensed retailers or grandfathered agency liquor stores in Montana.

*Table Wine Distributor*: means a person who imports into, or purchases in Montana, table wine for sale or resale to licensed retailers and agency liquor stores in Montana.

*Table Wine*: means wine that contains not more than 16% alcohol content by volume and includes hard ciders.

*Beer*: means a malt beverage containing not more than 8.75% alcohol content by volume or an alcoholic beverage containing not more than 14% alcohol by volume:

- that is made by the alcoholic fermentation of an infusion or decoction, or a combination of both, in potable brewing water, of malted cereal grain; and

- in which the sugars used for fermentation of the alcoholic beverage are at least 75% derived from malted cereal grain measured as a percentage of the total dry weight of the fermentable ingredients.
• the term does not include a caffeinated or stimulant-enhanced malt beverage.

Sub-Warehouse: means a building or structure owned or operated by a licensed beer wholesaler and/or table wine distributor, located in Montana other than the site of the principal place of business of the beer wholesaler and/or table wine distributor used for the receiving, storage and distribution of beer or table wine.

WHERE DO I START?

You can file your application electronically at https://revenue.mt.gov/apply-electronically.
What are the associated costs?

- One-time beer wholesaler license processing fee: $200.
- Annual beer wholesaler license: $400.
- One-time table wine distributor license processing fee: $200.
- Annual table wine distributor license: $400.
- One-time combined beer wholesaler and table wine distributor license processing fee: $200.
- Annual combined beer wholesaler and table wine distributor license: $800.
- One-time add beer wholesaler or table wine distributor to existing license: $400.
- One-time beer wholesaler sub-warehouse license processing fee: $100.
- Annual beer wholesaler sub-warehouse license: $400.
- One-time table wine distributor sub-warehouse license processing fee: $100.
- Annual table wine distributor sub-warehouse license: $400.
- One-time combined beer wholesaler and table wine distributor license processing fee: $100.
- Annual combined beer wholesaler and table wine distributor sub-warehouse license: $800.
- Fingerprint card fee. Price is subject to change.
HOW DO I APPLY?

When applying for a beer wholesaler and/or table wine distributor license, you need to provide the following:

• A completed beer wholesaler and table wine distributor license application.

• Alcohol and Tobacco Tax and Trade Bureau (TTB) Federal Basic Permit.

• A floor plan that includes the business name, physical address, areas where you intend to store alcoholic beverages, external dimensions and entry ways. Do not send in the original blueprints, only a copy of the floor plan.

• Liquor authorization form to disclose tax information for each entity and its members, shareholders or partners with 10% or more ownership.
Financial records showing the purchase of the license and/or building, including:

- Signed copies of all loan agreements, contracts, notes and all related security agreements, guarantees and trust indentures.

Note: You must file the non-institutional loan (NIL) form with the application if any lenders or other sources of financing are not state or federally regulated financial institutions, including gifting statements.

- Authorization for examination and release of information for each NIL.

- Personal criminal history statement form for each NIL.

- Two fingerprint cards and fees for each NIL.

- Lease, rent, purchase option and financing agreements or other evidence of ownership of the real property (must provide documentation of any possessory interest in property where the business is operating). Provide any other documentation to verify source of funding for purchase of the real property, if applicable, including terms.

- Franchise agreements.

- Financial statements (i.e., balance sheet and income statement or tax return for the business.)

- Submit copies of all purchase documents and related guarantees, mortgages, or security agreements associated with the business proposed for licensing, all bills of sale, deeds or other documents reflecting title transfer of assets purchased.
• Purchase agreement for the license including compensation, terms, the appropriate parties as buyer and seller and the license listed by number. Provide copies of all documentation to verify source of funding for purchase of the liquor license. Note: No assignments are allowed.

• Bank signature card and authorization forms for all of the applicant’s operating, investment or any other financial business accounts.

• Share issuance records.

• Share Certificates.
Ownership information, including:

• For applicants that use a multiple entity structure, attach a diagram showing all entities and individuals.

• For newly formed partnerships attach a copy of the application/certificate for registration of the partnership filed with the Secretary of State.

• For existing partnerships attach a copy of the renewal of partnership filed with the Secretary of State in the partnership name.

• Federal Employer Identification Number (FEIN) from the IRS.

• Verification of the Assumed Business Name (ABN) as filed with the Secretary of State.

• Personal criminal history statement for each individual involved in the ownership of the license.

• Fingerprint cards and fees for each person (including officers and directors) involved in the ownership of the license.

• Articles of Organization.

• Organization minutes.

• Certificate of Fact.

• Certificate of Incorporation and amendments or addenda.

• Bylaws and amendments or addenda.

• Certificate of Existence (for Montana corporations.)
• Authority to do business in Montana (for out-of-state corporation.)

• Stock ledger or register.

**Management information, including:**

• Personal criminal history statement form for each location manager.

• Two fingerprint cards and fees for each location manager.

**WHAT ARE THE STEPS IN THE APPLICATION PROCESS?**

• The application process takes between 60 and 90 days and begins after the department receives your application package and all supporting documents. The approval process includes notifying public officials to determine if any concerns exist that may prevent the license from being issued.
• Prior to final approval of any new location, it is the responsibility of the applicant to contact local building, health and fire code officials to schedule inspections. DOR will not approve an application until:

  o Local officials have given notice that the licensed premises meet their requirements.

  o DOR has conducted a complete audit and background check of the applicant and/or proposed location.

  o Department of Justice (DOJ) has conducted a background check of the applicant(s) and verified the location meets suitability requirements.

WHAT TAXES DOES A BEER WHOLESALER AND/OR TABLE WINE DISTRIBUTOR PAY?

Beer wholesalers and/or table wine distributors are required to electronically file monthly tax returns. Reports are due on or before the 15th of the month for the preceding reporting period sales. Combined beer wholesaler and/or table wine distributor file both the BET and WIT and a hard cider distributor monthly tax return (if applicable). Tax rate for hard cider is $0.037 per liter.

 **Beer wholesaler:** File BET.

<table>
<thead>
<tr>
<th>Barrels Sold</th>
<th>Tax Rate Per Barrel</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 5,000</td>
<td>$1.30</td>
</tr>
<tr>
<td>5,001 - 10,000</td>
<td>$2.30</td>
</tr>
<tr>
<td>More than 10,001</td>
<td>$4.30</td>
</tr>
</tbody>
</table>
Table wine distributor: File WIT.

<table>
<thead>
<tr>
<th>Sales Made To</th>
<th>Tax Rate Per Liter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retailers</td>
<td>$0.027</td>
</tr>
<tr>
<td>Sacramental Wine Licenses</td>
<td>$0.027</td>
</tr>
<tr>
<td>Agency Liquor Stores</td>
<td>$0.028</td>
</tr>
</tbody>
</table>

Electronically file your return at [https://TAP.DOR.mt.gov](https://TAP.DOR.mt.gov). If you need help filing any of these forms, call the Liquor Control Division at (406) 444-2909.

**WHAT ARE THE RULES FOR A BEER WHOLESALER AND/OR TABLE WINE DISTRIBUTOR LICENSE?**

- All licensees, their agents and employees must conduct the licensed premises in compliance with all:
  - alcohol-related provisions of the laws of Montana and the United States
A beer wholesaler and/or table wine distributor license can:

- allow a seven day credit to a retailer. An extension or acceptance of credit longer than the seven days is considered as giving or receiving financial assistance, which will be considered a violation of undisclosed financial interest.

- provide samples to retailers up to 3 gallons of beer and 3 liters of wine to a retailer who has not purchased the specific sample product from the beer wholesaler or table wine distributor in the previous 12 months.

- deliver product to a retail licensee at a catered event

- request a refund on the tax paid if a product they delivered to retailers is recalled by the manufacturer. The beer wholesaler or table wine distributor can amend the prior BET return and request a credit be applied to their account or a refund be remitted.

- exchange or accept return of a product if the reason constitutes an ordinary and usual commercial reason such as: defective product, error in delivery, product unlawful to sell, termination of retail business or wholesale franchise, change in product, discontinued product or seasonal business. Product that is overstocked, slow moving or seasonal does not qualify for exchange or return.
• assist a special permittee or retail licensee that has a catering endorsement in setting up equipment for sale and service of beer and/or table wine but may not sell beer and/or table wine at the special event.

• sell and/or deliver to a licensed retailer. The beer wholesaler or table wine distributor is responsible for ensuring they are selling product to a licensed retailer or a retailer with temporary operating authority.

• sell draft systems and portable cooling devices to licensees at not less than the cost to the beer wholesaler. A beer wholesaler may provide portable cooling equipment for special events at a location other than a licensed premises.

• provide maintenance or repair services on draft beer equipment to keep it sanitary and in good working condition.
• only sell in their designated territory as agreed upon with the manufacturer or importer; however, different wholesalers may be appointed in the same territory to distribute different products.

• write checks directly to licensed retailers for teams that the retailer and the distributor are sponsoring, such as, bowling teams, softball teams, dart leagues, etc.

• provide a retail licensee with product displays and carton wine displays. A table wine distributor can be deemed to have a financial interest in a retailer if they furnish to any retail licensee furniture, fixtures or equipment to be used in the dispensation or sale of table wine.

• have overlapping areas; however, the supplier must provide the same price, promotional support and terms to each distributor.

**A beer wholesaler and/or table wine distributor license cannot:**

• supply a retailer with advertising in the form of radio, posters or paying for promotional fees with the exception of a few items and dollar limitations. A beer wholesaler may provide functional advertising materials such as bottle openers, trays, tap handles menus, apparel, coasters, glassware, cups or napkins that do not exceed $300 in value.

• own any interest in a retail license or agency liquor store.

• obtain a special permit.

• ship product directly to customers in Montana. All products must be shipped to the state liquor warehouse in Helena and sold through an agency liquor store.
A beer wholesaler and/or table wine distributor license must:

• provide the department an exact copy of any agreements, contracts or franchises with a distributor, brewer or beer importer.

• notify the department when there is any change in manager for the location.

Miscellaneous:

• A beer wholesaler and/or table wine distributor who also sells non-alcoholic products can give non-alcoholic redemption coupons to an account to reduce the beer price to the consumer. The coupons must be redeemable at all retail locations within the market where the coupon is offered. The industry member may not reimburse a retailer for more than the face value plus a usual and customary handling fee. Combination packaging with other non-alcoholic items does not constitute a means to induce.