

Oregon Liquor and Cannabis Commission
DIRECT SHIPPER PERMIT FOR LICENSEES OUTSIDE OF OREGON



INTRODUCTION

What are the privileges of a Direct Shipper permit?

A Direct Shipper permit allows certain people to deliver malt beverages, wine, or cider directly to a resident of Oregon. A Direct Shipper permit **does not** allow the holder to ship malt beverages, wine, or cider directly to an Oregon retail licensee.

What are the definitions in Oregon for cider, malt beverage, and wine?

- **Cider** is made from the fermentation of the juice of apples or pears that contains not more than 8.5% alcohol by volume, including, but not limited to, flavored, sparkling or carbonated cider.
- **Malt Beverage** means beer, ale, porter, stout and other similar fermented beverages that contain more than one-half of one percent and not more than 16% of alcohol by volume and that are brewed or produced from malt, wholly or in part, or from rice, grain, bran, glucose, sugar or molasses as a substitute for malt. Malt beverage does not include cider, mead, sake or wine.
- **Wine** is made via the fermentation process, is not a cider or malt beverage, and contains not more than 21% alcohol by volume. Note: Cider containing more than 8.5% alcohol is considered wine

What is the fee for a Direct Shipper permit?

The fee is \$100 per calendar year regardless of how many types of alcohol you are approved to ship.

For what period of time is a Direct Shipper permit valid?

A Direct Shipper permit expires on December 31 of each year. Every year you must renew the permit and pay the \$100 fee to maintain a valid Direct Shipper permit. The OLCC will mail you a renewal application every year.

What are the qualifications to obtain a Direct Shipper permit to ship WINE or CIDER?

- You must hold a license issued by a state within the United States other than Oregon and your license must authorize:
 - The manufacture of wine or cider; and/or
 - The sale of wine or cider at retail in sealed containers for consumption off the licensed premises.

What are the qualifications to obtain a Direct Shipper permit to ship MALT BEVERAGES?

- You must hold a license issued by a state within the United States other than Oregon and your license must authorize:
 - The manufacture of malt beverages; and/or
 - The sale of malt beverages at retail in sealed containers for consumption off the licensed premises.
- AND, your state must allow Oregon licensees to ship malt beverages directly to a resident of your state.

What is a privilege tax?

Oregon assesses a tax on the privilege of shipping malt beverage, wine, or cider into Oregon. This is called a privilege tax. The holder of the Direct Shipper permit is responsible for declaring and paying the privilege tax to the OLCC.

What is a privilege tax bond?

This is a bond the holder of a Direct Shipper permit is required to obtain. It allows the OLCC to collect payment if the privilege taxes are not paid. The minimum bond amount is \$1,000. For questions email OLCC.Bonds@oregon.gov.

Is there an exception to the requirement to obtain a privilege tax bond?

Possibly. The holder of a Direct Shipper permit with approval to ship **ONLY WINE** may be eligible for a bond waiver (see page 3). There is **no waiver** for malt beverage or cider.

What are the record keeping and reporting requirements?

You must file on a quarterly basis with the OLCC's privilege tax department and pay any owed tax. Reports for the preceding calendar quarter are due on or before the 20th day of Jan, Apr, July and Oct. When the OLCC issues you a Direct Shipper permit, the privilege tax department will send you all required forms within 30 days. If you have any questions email OLCC.PrivilegeTax@oregon.gov.

Oregon Liquor and Cannabis Commission
**DIRECT SHIPPER PERMIT APPLICATION AND
AGREEMENT FOR LICENSEES OUTSIDE OF OREGON**



Applicant Name (Entity or Individuals)

Trade Name of the Business (Name Customers Will See)

Premises Address (Number and Street Address)

City

State

Zip Code

Mailing Address (Number and Street Address)

City

State

Zip Code

Name of Contact Person

Email

Phone Number

This application is being made to (mark all that apply):

- Deliver **WINE** to a resident of Oregon
- Deliver **CIDER** to a resident of Oregon
- Deliver **MALT BEVERAGES** to a resident of Oregon

I hold a license issued by a state within the United States other than Oregon and my license authorizes me to:

- Manufacture malt beverages, wine, or cider.
- Sell malt beverages, wine, or cider at retail in sealed containers for consumption off the licensed premises.

Please include with your application:

- A copy of your home state license
- If you are applying to ship malt beverages, proof that your state allows Oregon licensees to ship malt beverages directly to a resident of your state.
- \$100 fee. Enclose check or money order made payable to OLCC. If your application will be approved by the OLCC between October 1 and December 31 you must send a total of \$200 to cover the renewal fee.
- Privilege tax minimum bond of \$1,000 or bond waiver. If you will ship **only wine** you may be eligible for a bond waiver (see page 3). If you apply for the bond waiver you must include the bond waiver form with your application.
 - If you do not qualify for the bond waiver you will be contacted with information regarding the bond requirement after receipt and review of your application materials.
- A copy of your federal TTB permit or Brewer's Notice if you manufacture malt beverages, wine, or cider.

I certify that I have read and will follow OAR [845-006-0392](#) and [845-006-0396](#). I affirm that I am authorized to sign this application on behalf of the applicant.

Name (Print)

Signature

Date

Return to: OLCC, PO Box 22297, Milwaukie, OR 97269



Bond Waiver Certification

The OLCC may waive the required surety bond for licensees or permit holders that meet specific criteria. **If you qualify for a waiver, complete the certification at the bottom of this form and submit it in lieu of a surety bond with your initial permit application and/or renewal application.**

This waiver will need to be received and approved by the OLCC **PRIOR** to your license or permit being issued or renewed.

If you have questions about the privilege tax bond or waiver, please email OLCC.Bonds@oregon.gov.

As per Oregon Revised Statute (ORS) 473.065 (4), unless the OLCC determines that a licensee or permit holder presents an unusual risk for nonpayment of any license fees, privilege taxes, agricultural products taxes or other tax, penalty or interest imposed under this chapter or ORS chapter 471, the OLCC shall waive the bond required under ORS 471.155 (1) for the licensee or permit holder if:

(a) The licensee or permit holder was not liable for a privilege tax under this chapter in the immediately preceding calendar year and does not expect to be liable for a privilege tax under this chapter in the current calendar year; or

(b) The licensee or permit holder of a business established during the current calendar year does not expect to be liable for a privilege tax under this chapter in the current calendar year.

ORS 473.050 (5) **No privilege tax** shall be levied, collected or imposed upon the first 40,000 gallons, or 151,000 liters, of wine sold annually in Oregon from a United States manufacturer of wines producing less than 100,000 gallons, or 379,000 liters, annually.

Unusual Risks:

1. Non-reporting: licensee or permittee has not filed its privilege tax statements or its Oregon Wine Board statement by the required due date.
2. Licensee or permittee checks returned to OLCC for non-sufficient funds.
3. Any activity that is noncompliant with Commission statutes or rules.

APPLICANT / PERMITTEE NAME _____

TRADE NAME (OF BUSINESS) _____

PERMIT/LICENSE TYPE _____

PREMISES ADDRESS _____ **CITY/STATE** _____

CONTACT PHONE NUMBER _____ **EMAIL** _____

I certify that my OREGON license or permit type is one or more of the following: Winery, Grower Sales Privilege, Warehouse, Direct Shipper, Wine Self Distribution.

I certify, as a licensee or permittee, that I owed no privilege tax in the prior calendar year and will not owe any tax in the current calendar year. I request a waiver for the bond required under ORS 471.155.

I certify that I am the duly appointed and authorized representative and that the foregoing statement is true and complete.

PRINT NAME _____

SIGNATURE _____ **DATE** _____