



State of Tennessee

PUBLIC CHAPTER NO. 74

SENATE BILL NO. 1353

By Yager, Bowling

Substituted for: House Bill No. 1074

By Sanderson

AN ACT to amend Tennessee Code Annotated, Section 57-3-207, relative to wineries.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 57-3-207(r)(3)(B), is amended by deleting the language "that has a total annual wine production of fifty thousand gallons (50,000 gals.) or less" and substituting instead the language "that pays taxes under § 57-3-302(a) at its licensed facility on fifty thousand gallons (50,000 gals.) or less of wine or finished wine product each calendar year".

SECTION 2. Tennessee Code Annotated, Section 57-3-207(r)(5), is amended by deleting the last sentence of subdivision (A) and deleting subdivision (B).

SECTION 3. Tennessee Code Annotated, Section 57-3-207(r), is amended by adding the following new subdivision:

(6)(A) Wineries and farm wine producers that pay taxes under § 57-3-302(a) at their licensed facility on more than fifty thousand gallons (50,000 gals.) of wine during a calendar year and that operate a satellite facility shall obtain wine provided at their satellite facilities from a wholesaler licensed pursuant to § 57-3-203. The wholesaler may permit the winery or farm wine producer to transport wine or finished wine product from the winery or the farm to its satellite facilities; provided, that the wholesaler includes the amounts delivered in its inventory, reports depletions for purposes of tax collection, and is responsible for the payment of taxes on such depletions.

(B) Wineries and farm wine producers that pay taxes under § 57-3-302(a) at their licensed facility on fifty thousand gallons (50,000 gals.) or less of wine or finished wine product each calendar year are not required to obtain wine provided at their satellite facilities from a wholesaler. Wineries may transport wine or finished wine product from their wineries to their satellite facilities. Wineries may transport wine made from produce from farm wine producers to the producers' satellite facilities. Farm wine producers may transport wine from their farm to their satellite facilities.

(C) Wine and finished wine product sold for consumption on the premises at the satellite facilities are subject to the same taxation as wine sold for consumption on the premises at the winery or on the premises of the farm wine producer.

SECTION 4. Tennessee Code Annotated, Section 57-3-207, is amended by adding the following new subsection:

() Wholesalers utilized by wineries or farm wine producers may permit wineries and farm wine producers to transport their products for sale, which are sold on the premises of the winery, the farm wine producer, or the satellite facility; provided, that the wholesaler permitting such direct shipment shall include the amounts delivered in its inventory, report depletions for purposes of tax collection, and be responsible for the payment of taxes on such depletions.


SECTION 5. Tennessee Code Annotated, Section 57-3-207, is amended by deleting subdivision (v)(2) and adding the following new subsection:

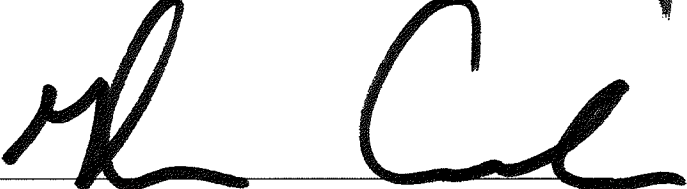
() As used in this section, "finished wine product" means any wine product that is ready for use by an end user and that bears the label of the winery or farm wine permit holder that purchased or imported the finished wine product under subsection (v).

SECTION 6. This act shall take effect upon becoming a law, the public welfare requiring it.


SENATE BILL NO. 1353

PASSED: March 18, 2019


Randy McNally
SPEAKER OF THE SENATE


Glen Casada
SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 28th day of March 2019


Bill Lee
GOVERNOR