



# Administrative Release

Comptroller of the Treasury ● Alcohol & Tobacco Tax Unit ● Goldstein Treasury Building ● Annapolis, Maryland 21404-2999  
410-974-3314

**No. AB-12**

October 6, 1997

**TO: All Licensed Wholesalers, Non-resident Dealers and Other Affected Parties**

**SUBJECT: Samples of Alcoholic Beverages**

Pending a formal revision to Regulation 03.02.01.13, the below listed guidelines and policies shall be in effect regarding the distribution of alcoholic beverage samples.

The provisions of Sections C(3) and C(4) are not effective until December 1, 1997. All other provisions are effective immediately.

All samples provided must come from a wholesaler's inventory, but in certain defined instances supplier representatives can sign out samples for legitimate purposes. Wholesalers and suppliers respectively are responsible for maintaining proper records and obtaining receipts for samples distributed in accordance with these guidelines. Wholesaler's report form 34-10 ATT (Schedule G-6) -- Report of Samples Used -- will be revised to reflect any changes to permitted sample categories.

### Guidelines for Samples

A. Samples provided under this regulation shall be tax paid at the same rate and same manner as required in the Tax-General Article.

#### B. Permitted Samples.

(1) Licensed wholesalers may furnish samples or draw from sample accounts for the following purposes.

- (a) To provide a sample of an alcoholic beverage to a licensed retailer,
- (b) To donate product to a bonafide charitable organization, non-profit organization or alcoholic beverage trade association,
- (c) To provide sample product to bonafide alcoholic beverage experts, or
- (d) To provide product to officers, officials and employees of licensed wholesalers for personal and business use.

(2) Suppliers may furnish to a wholesaler up to one case of a product not currently price filed in the Maryland Market for evaluation purposes and not for distribution or sampling to licensed retailers.

#### C. Samples to Licensed Retailers.

(1) A sample of an alcoholic beverage not stocked or sampled by a licensed retailer during the immediately preceding 12 months may be furnished by a wholesaler representative or a supplier representative if:

- (a) Not in excess of one 200-milliliter container; or
- (b) The alcoholic beverage is not available in a 200-milliliter container or smaller, then one container of the next larger size.

(2) Licensed wholesaler or supplier representatives shall sign out all samples from the licensed wholesaler's inventory in a manner approved by the Alcohol and Tobacco Tax Unit.

(3) A representative of the licensed retailer shall sign a receipt for each sample provided.

(4) Licensed wholesaler or supplier representatives shall account for all samples withdrawn from the licensed wholesaler's inventory within 30 days of sign out by returning to the wholesaler completed retailer receipts or returning unused samples.

(5) Licensed wholesalers and suppliers who do not comply with the provisions of this subsection may be prohibited from drawing future samples for distribution under these guidelines.

D. Samples to bonafide charitable organizations, non-profit organizations or alcoholic beverage trade associations.

(1) Licensed wholesalers may donate sample alcoholic beverages for use at a bonafide event or function as

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long as a temporary or permanent retail license has not been issued or is not required for the event or function.

(2) Alcoholic beverages supplied may not exceed what is reasonably expected to be used for the specific event or function.

(3) An officer or official of the charitable organization, non-profit organization or alcoholic beverage trade association shall submit a written request to the licensed wholesaler for the product setting forth the particulars of the event and certifying as to compliance with Section D(1) of this regulation.

(4) A representative of the charitable organization, non-profit organization or alcoholic beverage trade association shall sign a receipt for all sample alcoholic beverages received.

#### E. Samples to alcoholic beverage experts.

(1) Licensed wholesalers may provide samples to unlicensed individuals who are recognized for their contributions as alcoholic beverage writers in trade publications, newspapers, magazines, etc.

(2) Before an individual may qualify as an expert under this section, the individual shall submit credentials to and be approved by the Alcohol and Tobacco Tax Unit.

(3) Samples provided by licensed wholesalers to experts are for the express purposes of evaluation and analysis and are not for general distribution or consumption. Any samples received and not used for this purpose shall be destroyed.

(4) Licensed wholesalers may directly provide samples to experts under the following conditions:

(a) The expert signs a receipt for the product, and

(b) No more than three bottles of each brand are provided.

(5) Experts may pick up samples at the premises of the licensed wholesaler or the licensed wholesaler may deliver them to another location, including a licensed retail premises, for subsequent pickup providing proper records are maintained.

(6) Samples provided under this subsection need not originate from a licensed non-resident dealer nor do they need to be price filed under Regulation 03.02.01.05.

#### F. Samples to officers, officials and employees.

(1) An individual wholesale licensee may authorize bonafide company officers, officials and employees to draw samples for personal and business use and not for sale.

(2) The Alcohol and Tobacco Tax Unit may limit the number of samples drawn under this subsection if they are believed to be excessive or improperly used.

G. The Comptroller may require a written request for samples of beer, wine or distilled spirits before delivery under this regulation.

#### H. Records and reports.

(1) A summary of samples of beer, wine and distilled spirits distributed during the previous month shall be filed on forms provided by the Comptroller and submitted with the monthly alcoholic beverage tax return.

(2) Licensed wholesalers shall maintain accurate records to support monthly sample reports which shall be available for inspection.

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