

Legal Alerts

New Direct-to-Consumer Law Permits Shipments of Distilled Spirits, Cider and Mead to New Yorkers

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A new law in New York expands retail sales channels for many craft alcoholic beverage producers across the country. [S.2852A/A.3132A](#), recently signed into law by Governor Kathy Hochul, introduces significant changes to the sale and shipment of distilled spirits, cider and mead in the Empire State.

What Changed?

The new law expands privileges for direct-to-consumer ("DTC") sales and shipments of distilled spirits, cider and mead by both in-state and out-of-state producers. It represents the latest in New York's expansion of sales opportunities for craft producers, and it welcomes relief to New York craft distilleries.

New York wineries have long had the privilege of selling and shipping the wine they produce directly to consumers over the internet. Craft distilleries, on the other hand, had to make sales in person and were not permitted to ship the distilled spirits purchased. Now, New York craft distilleries, including microdistilleries and farm distilleries, will enjoy the same DTC privileges that New York wineries do. Eligible New York wineries, cideries, meaderies and breweries will also be able to ship the cider and mead they produce to consumers in the state.

These DTC privileges extend to many out-of-state producers, too. The new law will permit out-of-state producers to sell and ship distilled spirits, cider and mead to New York residents. But there's a catch. The law requires reciprocity. This means that only producers in states that allow New York manufacturers to lawfully ship the same products to those states' residents will be permitted access to New York.

The Fine Print

- The law does not go into effect until November 2024.
- No more than 36 cases (and no more than 9 liters per case) of all types may be sold and shipped to each New York consumer per year. This is the same limit for wine.
- Interstate shippers will need a license from the New York State Liquor Authority before selling and shipping to New York residents.
- Products will be subject to New York's [brand label registration requirements](#).
- Sales are deemed to take place in New York and will be subject to relevant [excise taxes](#) and [sales taxes](#). This means there will be additional tax registrations involved.

- Producers may bundle different products into the same package, provided they are permitted to sell each type (e.g., wine and cider or wine and distilled spirits).
- Shippers must maintain records about its purchasers, what it shipped, the quantity of each shipment, and so forth. Shipments and deliveries are subject to labeling and other requirements.
- As mentioned, reciprocity applies. Out-of-state producers should verify that their home state is a "reciprocity" state with New York.

If you have questions about New York's new craft beverage law or need guidance on direct-to-consumer sales, please reach out to our team.

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