



State of Tennessee

PUBLIC CHAPTER NO. 432

SENATE BILL NO. 177

By Lundberg, Crowe

Substituted for: House Bill No. 189

By Faison, Gillespie, Curcio, Powell, Freeman, Helton, Camper

AN ACT to amend Tennessee Code Annotated, Title 57, Chapter 5, relative to distribution of beer.

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

SECTION 1. Tennessee Code Annotated, Section 57-5-101(c)(2), is amended by deleting the subdivision.

SECTION 2. Tennessee Code Annotated, Section 57-5-101, is amended by adding the following as a new subsection:

(1) Notwithstanding subdivision (a)(2), a manufacturer brewing not more than twenty-five thousand (25,000) barrels of beer or high alcohol content beer, or both, annually and operating as a retailer pursuant to subsection (c) may self-distribute the beer that it manufactures directly to retailers:

(A) In the county in which the manufacturer is located; and

(B) Outside the county in which the manufacturer is located, if the manufacturer:

(i) Self-distributes not more than one thousand eight hundred (1,800) barrels of such manufacturer's beer annually; and

(ii) Is not prohibited from self-distribution in the particular county by the manufacturer's contract with a beer wholesaler.

(2)(A) A manufacturer self-distributing outside the county in which the manufacturer is located pursuant to subdivision () (1)(B) shall not self-distribute more than one thousand eight hundred (1,800) barrels of its beer annually in this state regardless of the number of manufacturing locations.

(B) If a manufacturer self-distributes more than one thousand eight hundred (1,800) barrels in a year, including in one (1) or more counties outside the county in which the manufacturer is located, the manufacturer shall enter into a contract with a wholesaler to distribute the manufacturer's beer within ninety (90) days of exceeding such limitation.

(3) A manufacturer shall certify its total volume of annual self-distribution as a part of the reporting required by § 57-6-105.

(4) A manufacturer self-distributing beer pursuant to subdivision () (1) shall collect and pay all taxes imposed by §§ 57-5-201 and 57-6-103. Any distribution, sale, or transfer of beer by a manufacturer directly to a beer retailer constitutes a wholesale sale for purposes of taxation.

(5) To determine the exact amount of tax owed on sales of beer and to facilitate the collection thereof, a manufacturer self-distributing beer pursuant to subdivision () (1) shall register separately with the commissioner of revenue as a wholesaler pursuant to § 57-5-102 and shall comply with the requirements for licensing as a wholesaler, including, without

limitation, the permitting, reporting, and bonding requirements imposed by §§ 57-5-103, 57-6-104, 57-6-105, 57-6-107, and 67-6-410. In addition to the information required by § 67-6-410(b), such manufacturers shall report quantities of beer sold for consumption on the manufacturer's premises.

SECTION 3. Tennessee Code Annotated, Section 57-5-201(d), is amended by adding the following as the second sentence thereof:

Any such self-distribution or sale by a manufacturer of its beer directly to a retail dealer of beer constitutes a wholesale sale for purposes of taxation.

SECTION 4. This act takes effect October 1, 2021, the public welfare requiring it.

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PASSED: April 29, 2021


RANDY McNALLY
SPEAKER OF THE SENATE


CAMERON SEXTON, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 13th day of May 2021


BILL LEE, GOVERNOR