

MEMORANDUM

TO: Members
Beer Industry League of Louisiana

FROM: Chris G. Young
General Counsel

DATE: December 16, 2011

RE: *Sales to Retailers*

- **"Beverages of Low Alcoholic Content"**
- **"Beverages of High Alcoholic Content"**
- **"Malt Beverages containing not more (or more) than six percent alcohol"**

Please allow this Memorandum to serve as clarification of the confusion surrounding the types of beverages (low and/or high alcoholic content) "wholesale dealers" are authorized to sell to "retail dealers" based on the type of permit held by the retail dealer (low and/or high; "B" or "BL"; "beer" and/or "liquor").

Summary Answer

Wholesale dealers can only sell "beverages of low alcoholic content" (not more than 6% alcohol) to retail dealers who only hold a "beer" ("B") permit. In order to sell "beverages of high alcoholic content," including "malt beverages containing more than six percent alcohol," to a retail dealer, that retail dealer must hold a "liquor" ("L") permit.¹

Brief Background

In 2006, the legislature changed the law to allow "beer wholesalers" to sell "malt beverages" of high and low alcoholic content under its traditional "beer wholesaler permit."

Prior to the change, "beer wholesalers" could only legally sell "alcoholic beverages of low alcoholic content." This did not include "malt beverages containing more than six percent alcohol." As such, "beer wholesalers" were required to obtain a "liquor wholesaler permit" in

order to sell beverages of high alcoholic content including "malt beverages containing more than six percent alcohol."

Now, by changing the definitions of "wholesale dealer" and "malt beverages" in 2006, "wholesale dealers" can sell malt beverages (high and low) without obtaining a "liquor wholesaler" permit. (NOTE: A wholesaler must declare to ATC its intent to sell "malt beverages containing more than six percent alcohol" even though there are no additional permit fees, etc.)

When these changes were made in 2006, the definition of "retail dealer" and other related provisions of law were not changed. Consequently, retail dealers who only hold a "beer" ("B") permit cannot purchase from a wholesaler (and wholesalers cannot sell to that retailer) beverages of high alcoholic content including "malt beverages." The retail dealer must obtain a "liquor" ("L") permit.

-END-

ⁱ Louisiana law does provide for a "light wine" permit for retail dealers who also hold a restaurant permit ("R") (R.S. 26:72). The "light wine" designation appears as a "W" on a retailer's permit. "Light wine" is defined as *"any non-effervescent alcoholic beverage, known as still wine, derived from the juice of any fruit or synthesis thereof, of an alcoholic content of not more than fourteen percent by volume."* This obviously does not include "malt" or other beverages.