



STATE OF INDIANA

ALCOHOL AND TOBACCO COMMISSION

302 West Washington Street
IGCS Room E114
Indianapolis, IN 46204

Telephone 317 / 232-2430
Fax 317 / 233-6114
www.IN.gov/atc

Advisory Opinion 21-03: Farm Winery Purchasing Unlabeled Bottles of Wine for Labeling and Sale

I. Background

The following question was posed to the Alcohol and Tobacco Commission:

1. May an Indiana farm winery purchase unlabeled bottles of wine from an out of state winery that the farm winery would label as their own and sell to their customers?

II. Analysis & Conclusion

Ind. Code § 7.1-3-12-7 allows the holder of a farm winery permit to purchase bulk wine for eventual sale as the farm winery's product. Specifically, Ind. Code § 7.1-3-12-7(a) provides that a farm winery may purchase bulk wine annually in the amount of 5,500 gallons or fifty percent of the quantity produced by the winery the previous year, whichever is greater. Additionally, subsection (b) allows for a farm winery to purchase bulk wine to make up for lost inventory due to a natural or manmade disaster.

Ind. Code § 7.1-3-12-7 does not define "bulk wine." It is the position of the Alcohol and Tobacco Commission that the term refers to any wine that is not ready for market. Accordingly, wine that is bottled but unlabeled qualifies as bulk wine. An Indiana farm winery may therefore purchase bottled, unlabeled wine up to the annual quantities allowable under Ind. Code § 7.1-3-12-7. The Indiana farm winery may then prepare the bulk wine for sale by labeling and taking any other necessary steps before selling the wine to customers.

There is no permit required for an out-of-state winery to sell bulk wine to an Indiana farm winery. Also, the Indiana farm winery is liable for Indiana wine excise tax at the time it is imported. *See* Ind. Code § 7.1-4-4-3 ("The wine excise tax shall be paid by the holder of a . . . farm winery permit . . . on the alcoholic beverage to which the tax is applicable and which has been manufactured *or imported* by the permit holder into this state. . . .") (emphasis added).

DISCLAIMER: Opinions expressed in this advisory opinion are fact-sensitive and based on the 2021 Indiana Code. Every advisory opinion is made to provide information that is consistent with the appropriate statutes, rules and court decisions. Any information that is not consistent with the law, regulations or court decisions is not binding on either the Commission or the public.