



# 2020 Pennsylvania Winery Conference PA Revenue Roundtable



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**In general, wine sales are subject to sales tax.**

*Tax Reform Code:*

*72 P.S. § 7204, Exclusions from Tax*

*(29) The sale at retail or use of food and beverages for human consumption, except that this exclusion shall not apply with respect to-*

*(ii) Malt and brewed beverages and spirituous and vinous liquors;*



# Taking the Taxes Paid /Property Resold (TPPR) Credit

If you pay tax, and then resell the product (and collect tax on that sale) – you may claim a credit for the taxes you paid when you remit tax to DOR via e-TIDES.

		Pennsylvania (6%)	Allegheny (1%)	Philadelphia (2%)
*1	Total Gross Sales, Rentals, Services			
*2	Net Taxable Sales			
3	Total Amount of Tax Due			
4	Discount <small>The timely filing discount will be applied.</small>	0.00	0.00	0.00
5	Net Tax Due	0.00	0.00	0.00
*6	Use Tax Due <small>What is Use Tax?</small>	0.00	0.00	0.00
*7	E 911 Fee Due <small>What is e-911?</small>	0.00	0.00	0.00
8	E 911 Discount	0.00	0.00	0.00
9	E 911 Net Fee Due	0.00	0.00	0.00
10	Total Tax and Fee Due	0.00	0.00	0.00
*11	Credit <small>Do not enter Pre-payments.</small>			
12	Amount Due	0.00	0.00	0.00
13	Previous e-TIDES Payments		\$ 0.00	
14	Other Payments <small>For calculation purposes only.</small>		\$ 0.00	
	Total Payment Due		\$ 0.00	

Credits  
 TPPR Credit    Other Credits

Calculate

The background features a repeating pattern of various geometric shapes and mathematical symbols, including hexagons, circles, plus signs, minus signs, and dotted lines, in shades of blue, grey, and white. The pattern is framed by a dark blue border at the top and bottom, with a gold-colored decorative band at the very top and bottom edges.

Questions submitted by PWA

## Question 1:

**Is PA sales tax to be charged and collected for all wine sold within PA and sold out of state?**

- In state, yes
- Out of state, no

## Question 2:

**Are wineries required to charge sales tax if they charge patrons to sample wines?**

- Yes



## Question 3:

**In the past, wineries were told that sale tax did not need to be collected for samples to the public. Is there a recent change to revise this requirement?**

- **If there is no charge for samples, no tax collected.**
- **If there is a charge for samples, tax must be collected.**
- **We are not aware of any changes to this requirement – but know that there has been confusion on this.**

## Question 4:

**Does the winery need to identify if tax is being charged?**

- Yes, tax must be separately stated.

## Question 5:

**Are wineries required to charge sales tax if they sell wine by the glass to patrons?**

- Yes.

## Question 6:

**Does the winery need to identify if tax is included in a price if they charge a round amount? (i.e. \$5 per glass of wine)**

- Yes.
- **However, wineries may absorb the tax. See Sales and Tax Bulletin 2019-03 for more details.**

[https://www.revenue.pa.gov/GeneralTaxInformation/TaxLawPoliciesBulletinsNotices/TaxBulletins/SUT/Documents/st\\_bulletin\\_2019-03.pdf](https://www.revenue.pa.gov/GeneralTaxInformation/TaxLawPoliciesBulletinsNotices/TaxBulletins/SUT/Documents/st_bulletin_2019-03.pdf)

## Question 7:

**If a winery sells a wine cocktail featuring wine and PA spirits, does it need to be taxed? For example, if a cocktail is 2/3 spirits and 1/3 wine, is it subject to sales tax?**

- Yes.

## Question 8:

**Are wineries required to charge sales tax if they sell entrance or tickets to a special tasting or event? (i.e., Jazz Brunch or Chili Cook off or vineyard tour)?**

- Yes, if the sale of the ticket also includes the sale of taxable tangible personal property (like a Jazz Brunch or Chili Cook off which have food).
- No, if the sale of the ticket does not include the sale of taxable tangible personal property (like a winery tour).

## Question 9:

**If a winery is to charge tax for a brunch are they to charge taxes for the wine, food and entertainment together or just a portion of the event (for example, just the wine portion)?**

- **If the winery charges one price for the entire event, the tax must be computed on the total price.**
- **If the winery charges separately for a non-taxable item (i.e., a jazz concert) and for a taxable item (i.e., wine or prepared food), then tax is only computed on the taxable items.**

## Question 10:

**Does a winery need to charge sales tax for a music event ticket, that does not include food or drink?**

- **No.**



## Question 11:

**Does sales tax need charged for a ticketed make -your-own-craft event? Such as painting wood, canvas, glasses, making flower arrangements, making soaps/jewelry/ceramics/etc. (food and drink not included)**

- **Yes, if the customer will be receiving taxable tangible personal property at the end of the event.**

## Question 12:

**Wineries selling wholesale wine to restaurants and/or those with WEP. Are wholesale wine sales subject to sales tax?**

- A “wholesale” wine sale would not be subject to tax. However, this is a very limited field of customers.
- A winery selling to the PLCB would not charge sales tax.
- A winery selling to breweries, distilleries, or wineries should charge sales tax and the purchaser must charge tax on its sale of the product. The purchaser can obtain a refund of the tax through a TPPR credit.
- A winery must charge sales tax on all sales to retail liquor license holders (R, H, etc.)
  - This includes WEPs. A WEP must pay tax on its purchase of wine and charge tax on its sale of wine. The WEP can obtain a refund of the tax through a TPPR credit.

## Question 13:

**If these sales are not subject to PA sales tax, does the PA blanket sales tax exemption form apply to this type of sale?**

- Yes, same answer as Question 12.

## Question 14:

For wineries selling bulk wine to other wineries, are these sales subject to sales tax? If no sales tax is required should the winery file a PA Sales Tax Exemption form.

- Yes, the winery selling the bulk wine should collect sales tax. The purchasing winery should collect sales tax on the retail sale and can obtain a refund of the tax it paid through a TPPR credit.

## Question 15:

**For wineries purchasing bulk wine from other wineries. Does sales tax get charged or use the PA Sales Tax Exemption form?**

- Same answer as Question 14 -
- Yes, the winery selling the bulk wine should collect sales tax. The purchasing winery should collect sales tax on the retail sale and can obtain a refund of the tax it paid through a TPPR credit.

## Question 16:

**Does being an agricultural entity have any bearing on being able to charge or not having to charge sales tax?**

- **No.**

## Question 17

**Does a winery need to charge tax if they sell beer or spirits by the glass or for consumption on site?**

- Wineries should be paying sales tax when purchasing from another manufacturer.
- Wineries should charge sales tax and then claim a TPPR credit on their sales tax return for the amount of tax they paid on the original purchase from the manufacturer.

## Question 18:

**A winery purchases PA made spirits and pays the PA sales tax from the spirit manufacturer. If your winery sells mixed drinks and/or shots at the winery can these drinks be sold without tax (like beer) since you are paying sales tax up front?**

- Same answer as Question 17 –
- Wineries should be paying sales tax when purchasing from another manufacturer.
- Wineries should charge sales tax and then claim a TPPR credit on their sales tax return for the amount of tax they paid on the original purchase from the manufacturer.



## Question 19:

**Are PA wineries required to charge sales tax to WEPs who are purchasing wine to resell at their licensed location - such as a grocery store who is reselling the wine by the bottle?**

- Yes.

## Question 20:

**Wine excise tax: Does this include all wine shipped within PA and out of state?**

- **Within PA – Yes.**
- **Out of state – No.**

# IN PA, EVERYONE COUNTS

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IN THE U.S. CENSUS

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[PA.gov/census](https://PA.gov/census)



The image features a decorative background with a repeating pattern of light blue and grey geometric shapes, including hexagons, circles, and plus signs. A central dark blue rectangular box with a white border contains the text "Thank you!". The box is set against a white background that is framed by a gold border at the top and bottom.

Thank you!