

BULLETIN



Comptroller of the Treasury 1 Alcohol and Tobacco Tax Unit 1 Goldstein Treasury Building 1 P.O. Box 2999
Annapolis, Maryland 21404-2999 • Telephone: 410-260-7314

No. AB-13

March 24, 1997

TO: All Non-Resident Dealer Permit Holders, Wholesalers and County Dispensaries

SUBJECT: Sales and Discounts to County Dispensaries

It has recently come to our attention that some non-resident dealers (suppliers) may be treating county dispensaries in Maryland, including Montgomery County, differently than other licensed wholesalers to whom they sell the same product(s). This is not permitted under Article 2B of the Annotated Code of Maryland.

Section 12-102, which concerns discrimination in the sale or distribution of alcoholic beverages, prohibits non-resident dealers or suppliers from discriminating directly or indirectly in price, discounts, or the quality of merchandise sold between one wholesaler and another wholesaler. Section 1-102(a)(26) defines a wholesaler as *“a person who purchases or imports any alcoholic beverage for sale to wholesale or retail dealers only, and includes a county liquor control board and a county wholesale dispensary.”*

The effect of these combined requirements is that you must invoice alcoholic beverages to a county

dispensary at the same price as you invoice the same products to any other Maryland wholesaler. The only exception is when products are shipped from different FOB points, or FOB destinations, in which case the difference can only be that which is justified by the actual difference in transportation costs.

In addition to the invoice price, any discount, depletion allowance, or other condition of sale offered to a county dispensary must be simultaneously offered to a wholesaler and vice-versa. In the case of wine and distilled spirits products, these conditions of sale must be filed with the Alcohol and Tobacco Tax Unit in accordance with Regulation 03.02.01.05.

Please be guided accordingly and adjust any current practices in effect that may be contrary to these requirements.

Charles W. Ehart, DPA
Administrator
Alcohol and Tobacco Tax Unit

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