DIVISION OF ALCOHOL AND TOBACCO CONTROL

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INDUSTRY CIRCULAR

ATC's Response to COVID-19

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Recently the Division has received an increasing number of questions about how ATC plans to adjust to the concerns of COVID-19, and what exceptions and extensions will be made for liquor licensees. ATC has reviewed these areas, and at this time, the Division's position is as follows:

- Curbside Pickup/Delivery Options for Retail Licensees ATC would like to remind all retail-by-drink licensees that they are allowed to sell intoxicating liquor in the original package under Section <u>311.200.5</u>. This would allow these establishments to adhere to the social distancing recommendations by giving them the option to provide carryout and/or curbside pickup services. Keep in mind that if a curbside pickup option is provided, licensees must adhere to the <u>delivery guidelines</u>. Only original package products may be sold for off-premise consumption. This does not include mixed drinks poured and repackaged by the retailer. Payment for all transactions for carryout, pickup, or otherwise, must occur on the licensed premises. Please be sure to check with your local city or county to make sure there are no local ordinances or requirements that would prevent you from doing the above.
- Alcohol Returns On March 13, 2020, the Alcohol and Tobacco Tax and Trade Bureau (TTB) announced they would allow return of products purchased from a manufacturer/wholesaler for temporary events that were cancelled due to concerns about COVID-19. ATC is mirroring TTB's stance in that we will not consider returns due to licensed events being cancelled for COVID-19 concerns to be a violation. These temporary events would include caterers events, picnic license events, and festival events. This exception does not allow retail-by-the-drink or original package licensees to return their product that would be sold in the normal course of business. We are also reminding manufacturers/wholesalers that they are not required to accept returns of such products.

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- License Renewals The Division has received approval from the Governor's Office to proceed with an emergency waiver to extend deadlines, set out in RSMo. 311.240, for fiscal year 2021 liquor license renewals by two months. For more information see our industry circular on <u>Emergency Waiver Liquor License Renewal</u>.
- **Reporting and Excise Tax** Given the convenience of our online system, ATC will not provide extensions for monthly reporting requirements nor extensions or waivers for excise tax payments, at this time. We will continue to review the affects of COVID-19 on businesses and may consider changes in the future.
- Ordinary Commercial Credit At this time, ATC will not extend the ordinary commercial credit terms set forth in <u>11 CSR 70-2.010(4) (A) and (B)</u>.
- Hand Sanitizer Production The division has received an increasing number of inquiries regaring the production of hand sanitizer. Please follow the links to the Alcohol and Tobacco Tax and Trade Bureau (TTB) webpage https://www.ttb.gov/public-guidance/ttb-pg-2020-1a, and the FDA's webpage, https://www.fda.gov/news-events/press-announcements/coronavirus-covid-19-update-fda-provides-guidance-production-alcohol-based-hand-sanitizer-help-boost for more information on federal guidelines. In addition to the federal guidelines, ATC has the following guidelines:
 - Licensees must be licensed as a manufacture at the state level to receive or produce bulk potable (drinkable) spirits, even if its intended use is for the production of hand sanitizer.
 - The percentage of alcohol cannot exceed their license type (ex. a 22% Manufacturer-Solicitor cannot utilize alcohol over 22% alcohol by weight).
 - Records must be kept separate for the two operations (beverage vs. hand sanitizer), and bulk spirits used in the production of hand sanitizer must be reported under the 'remove for loss' field on their monthly excise tax report (no excise tax is due for spirits used in the production of hand sanitizer).

ATC is posting this notice to respond to the concerns we have been receiving regarding the effects of COVID-19. All future changes will be communicated by updating this circular once those decisions are made. If you have questions, please contact the <u>Division</u> for clarification.