



## Massachusetts Package Stores Association, Inc.

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Tuesday, July 12, 2022

Rep. Aaron M. Michlewitz, Chair  
House Committee on Ways & Means  
State House  
Room 237  
Boston, MA 02133

Re: Support of Amendment #745 to H5007

Dear Chair Michlewitz, and Honorable Members of the House of Representatives,

Thank you for providing the Massachusetts Package Stores Association (MassPack) with an opportunity to present information benefiting economic development and increased excise tax collections. One means that benefits all of Massachusetts is to extinguish the loophole that has caused millions of dollars in lost annual excise taxes. The primary source of these lost revenues is tied to out of state third party fulfillment that sell wine on behalf of national and international wineries. Since 2006, untraceable cases of wine have been shipped into Massachusetts via a third-party carrier. Much of the sales activity goes unreported. It is a big problem that other states have addressed.

By circumventing the regulatory process, excise tax revenues are lost while public safety is also compromised. During the past two legislative sessions, MassPack, WSWA, the ABCC and others have sought to terminate this exploited loophole with language currently provided in H4243 - *An Act relative to the direct wine shipper license*. H4243 has been reported out favorably by the Joint Committee on Consumer Protection and Professional Licensure. A similar bill also was reported out favorably in the 2019-2020 session.

The language in H4243 has been introduced for inclusion with H5007 as amendment #745 - Direct Wine Shipping. Amendment #745 was submitted by Representative Tackey Chan, Chair of the Joint Committee on Consumer Protection and Professional Licensure. Amendment #745 plugs the exploited loophole by amending GL 138:19F (direct wine shipper licenses) to allow any business with the federal and state permits for wine export to obtain a direct wine shipper license but limits the wine that may be sold at retail by such shippers to wine only produced by or for the winery. It is the language that the ABCC has sought for many years.

Ironically, other states have learned about the Massachusetts fix, and have enacted their own laws to this effect. Tennessee is one of those states. The language in Amendment #745 should be incorporated into H5007 and enacted immediately. Please add this language to the economic bill that is under consideration.

In summary, disruption to the detriment of local retail has been the driving force within alcohol retail in Massachusetts. MassPack is hopeful that out of state shipping of alcohol can be better regulated through inclusion of the language in Amendment #745. Thank you for reviewing our written testimony on this important matter. Please reach out to MassPack with any questions regarding the retail of beer, wine, and spirits.

Respectfully submitted,

Robert A. Mellion, Esq.  
Executive Director | General Counsel

*The Massachusetts Package Stores Association (MassPack) is a non-profit trade organization representing the interests of locally owned beer, wine and spirits stores across Massachusetts. Contact MassPack with any questions at (508) 366-1100, or email [info@masspack.org](mailto:info@masspack.org). Visit the MassPack website at: [www.masspack.org](http://www.masspack.org)*