



STATE OF CONNECTICUT
DEPARTMENT OF CONSUMER PROTECTION

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For Immediate Release

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DEPLETION ALLOWANCES ARE NOT A COMPONENT OF THE MINIMUM SELLING PRICE TO CT WHOLESALERS

Recently there has been some confusion as to whether an approved depletion allowance may be calculated as part of the minimum selling price to a Connecticut wholesaler. This clarifies the department's position- the minimum selling price is found in the statute, namely section 30-68i of the Connecticut General Statutes, which reads as follow (in italics):

"The minimum selling price of an out-of-state shipper, wholesaler or manufacturer permittee to a wholesaler, such wholesaler to be defined as any person engaged in the sale of alcoholic liquor to retailers of every brand of alcoholic liquor, whether or not bottled in this state, shall be not below the cost of such liquor to such out-of-state shipper, wholesaler or manufacturer permittee, computed as follows:

- (1) On domestic alcoholic liquor, the total of (A) the cost of spirits and all other ingredients, (B) all transportation charges from point of origin to point of destination, (C) all applicable federal and state taxes, and (D) the cost of containers, labels, caps, closures, all bottling charges and labor;*
- (2) On imported alcoholic liquor, the total of (A) the invoice price from the supplier, (B) the cost of all other ingredients, (C) the cost of duties, (D) all applicable federal and state taxes, (E) insurance, (F) ocean freight and brokerage charges, (G) all transportation charges, and (H) the cost of containers, labels, caps, closures and all bottling charges and labor."*

There is nothing in the statute which includes depletion allowances approved by the department as a component of the minimum selling price.