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NAWR Calls for Overhaul of U.S. Interstate Wine Shipping Laws

Proposed Reforms Could Double Direct-to-Consumer Market by 2025

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The National Association of Wine Retailers (NAWR) has released a report proposing significant changes to U.S. interstate wine shipping laws. The organization aims to expand consumer access to high-end and exclusive wines, allow retailers to ship products to any state, and ensure states can collect taxes on these transactions.

Currently, only 12 states and the District of Columbia permit consumers to receive wine shipments from out-of-state retailers. Nineteen states allow shipments only from local retailers, while another 19 states completely ban any out-of-state retailer shipments. According to the NAWR, these restrictions primarily impact consumers seeking collectible wines, limited editions, or rare vintages that are typically unavailable in local stores.

The report highlights that the direct-to-consumer wine shipping market was valued at $1.14 billion in 2021. The NAWR claims that this market could double if existing legal barriers were removed. The association argues that current laws favor local distributors, but they harm consumers, out-of-state retailers, and state governments, which miss out on potential tax revenue.

One of the NAWR's key proposals is an open licensing system that would allow retailers to pay a fee to ship wine to any state. This system would simplify tax collection and provide states with oversight of these transactions. The report emphasizes that consumer behavior has shifted in recent years toward online shopping, yet wine distribution laws remain outdated.

NAWR Executive Director Tom Wark stated that the proposed reforms would benefit both consumers and retailers by creating a more open market. The report concludes that states prohibiting out-of-state wine shipments are losing tax revenue and restricting their residents' options while hindering the growth of a market that could thrive under more modern and flexible regulations.