
State of South Carolina
Department of Revenue
301 Gervais Street, P. O. Box 125, Columbia, South Carolina 29214

SC INFORMATION LETTER #96-3 (ABC)

SUBJECT: ADMINISTRATIVE PRONOUNCEMENT
Electronic Fund Transfers for Beer, Wine, or Alcoholic Liquor
Purchases from Wholesalers

DATE: January 8, 1996

SUPERSEDES: SC Revenue Ruling #94-5 and all previous documents and any oral directives
in conflict herewith.

REFERENCE: S. C. Code Ann. Section 61-9-30 (Supp. 1995)
S. C. Code Ann. Section 61-3-920(Supp. 1995)

AUTHORITY: S.C. Code Ann. Section 12-4-320 (Supp. 1995)
SC Revenue Procedure #94-1

SCOPE: An Information Letter is a document issued for the purpose of disseminating
general information or information concerning an administrative
pronouncement.

Information Letters issued to disseminate general information have no
precedential value and do not represent the official position of the
Department. Information Letters designated as administrative pronouncements
are **official advisory opinions** of the Department.

The question has arisen as to whether retailers may pay wholesalers for the sale of beer, wine, or alcoholic liquors by means of electronic transfer of funds. Code Section 61-9-30 provides that "[a]ll beer or wine sold by wholesalers to the holders of retail licenses in this State shall be sold for cash only at the time of delivery or prior thereto. Cash shall mean money or a bona fide check or money order." Code Section 61-3-920 provides that "[w]holesale and retail liquor dealers are hereby prohibited from selling alcoholic liquors on credit."

By this administrative pronouncement, the Department is announcing that it is interpreting the word "cash" as used in Code Section 61-9-30 and the word "credit" as used in Code Section 61-3-920 to permit the use of electronic funds transfer, provided the following conditions are met:

1. The retailer and the wholesaler both agree to use electronic transfer of funds;
2. The transfer of funds is initiated by the retailer with an irrevocable payment order on or before delivery of the beer, wine or alcoholic liquor; and,
3. The transfer is initiated by the wholesaler no later than one business day after delivery.