
Business Practices**Beer
taxes
notice**

This notice is to clarify certain provisions of law regarding the “micro brewers” and “brew pubs.” The Department of Revenue has recently discovered instances of licensees operating these types businesses contrary to law.

Tenn. Code Ann. Section 57-5-101(a) permits the manufacture of beer having an alcoholic content of not more than 5%. This statute, however, prohibits such a manufacturer from having any interest direct or indirect in the retail sale of the beverages with the following exception.

Tenn. Code Ann. Section 57-5-101(c)(1)(A) makes the following exception to 57-5-101 (a):

[a manufacturer] may operate as a retailer at the manufacturer’s location or a site contiguous thereto for sales of not more than 5,000 barrels of beer annually for consumption on or off the premises under the provisions of this chapter as long as the requirements of this chapter concerning the licensing of such retail establishments are met;... .

Sales by a manufacturer of its beer at a separate (noncontiguous) location are not authorized by this exception. The Attorney General has upheld such a determination in Opinion No. 00-087 issued May 5, 2000.

Have questions or comments? Please let us know. [Contact us.](#)

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