

Your guide to **Wine Tourism**

Licences, Legal Issues and Tax

Before embarking on any new business ventures, you will need to determine what licensing and other legal requirements are needed in order for you to operate. Failure to comply or ignorance about regulations is no defence and heavy penalties may apply.

The sorts of things you will need to consider include:

- Do you have the appropriate liquor licence?
- Do you have or need local council planning approval?
- Have you complied with all health and building regulations?
- Do you understand the regulations regarding the storage, handling, preparation and presentation of food?
- Do you have appropriate Public Liability and/or Professional Indemnity Insurance?

Licensing and legal requirements will vary from state to state, so for further information on State, Federal and Local licences and regulations contact the small business department in your state (refer Key Contacts page).

Sales of wine by wineries to overseas visitors

Sales of wine to overseas travellers who take delivery of the wine in Australia are subject to Wine Equalisation Tax (wine tax) and GST. There are, however, ways for the traveller to obtain a refund of tax paid if that wine is exported from Australia.

Tourist Refund Scheme

Overseas travellers may be entitled to a refund of the wine tax and GST under the Tourist Refund Scheme at the point of departure from Australia if they have the wine in their possession. The Australian Customs Service administers the Tourist Refund Scheme.

An overseas traveller may be eligible for a refund under the Tourist Refund Scheme if they:

- purchase wine and wine tax is included in the purchase price; and
- purchase at least \$300 (including wine tax and GST) of eligible goods from a single vendor who is registered for GST (the purchase does not have to be entirely made up of wine); and
- hold a single tax invoice for the goods; and
- export the goods as accompanied baggage within 30 days after the day on which they were acquired; and,
- leave Australia at an airport, or seaport, that has a Tourist Refund Scheme facility.

The amount of wine tax to be refunded under the Tourist Refund Scheme is calculated as 29% of half the purchase price of the wine (including wine tax and GST). For example, if wine is purchased by the overseas traveller for \$400 (including wine tax and GST) the amount of wine tax to be refunded is calculated as follows:

$$29\% \times (\$400 \div 2) = \$58.00$$

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Refunds from the Tax Office

An overseas traveller who purchases wine from a winery and exports the wine may be entitled to a credit for the amount of wine tax included in the purchase price of the exported wine. The credit can be claimed as a direct refund from the Tax Office. Direct refunds are not available for amounts totalling less than \$200. However, individual claims may be aggregated to reach the minimum amount.

Where the winery does not disclose the amount of wine tax included in the purchase price of the wine, the overseas traveller may calculate the amount of wine tax as follows:

- 29% of half the purchase price (including wine tax and GST) less any wine tax included in the price that has otherwise been refunded or credited to the overseas traveller.

The purchase invoice and evidence that the wine was exported would need to be sent to the Australian Tax Office in order for the claim to be processed.

What is the tax treatment where the winery exports the wine on behalf of the overseas traveller?

Where the winery exports the wine on behalf of the overseas traveller as a GST-free supply, there will be no wine tax payable. The circumstances in which a supply is GST-free include where the winery exports the wine within 60 days, after the earlier of:

- the day the winery receives payment for the wine; or
- the day the winery invoices the traveller for the wine.

The winery must retain evidence that the wine was exported to verify that the supply was GST-free.

Information on Wine Tax

For more information on wine tax call the Australian Tax Office information line on **1300 137 290**.