

New York's ABC Law establishes detailed pricing regulations for each tier of the state's three-tier system (suppliers, wholesalers, and retailers). These rules aim to prevent discriminatory pricing and undue inducements, requiring strict adherence to posted price schedules. Below is a comprehensive summary of pricing compliance obligations at each tier, including general duties and specific requirements for price posting, discounts, and promotions. **All citations refer to ABC Law provisions or State Liquor Authority (SLA) guidelines.**

Suppliers (Manufacturers/Importers)

General Obligations

- **Uniform Pricing to Wholesalers:** Suppliers (e.g. manufacturers, distillers, importers) must offer alcoholic products to all licensed New York wholesalers on the same terms. Any price discrimination between wholesalers for the same product (same brand, age, and quality) is unlawful. In practice, a supplier cannot charge different wholesalers different prices for the same liquor or wine brand.
- **No Hidden Discounts or Inducements:** Suppliers are **prohibited from granting any rebate, free goods, allowance, or other inducement** to wholesalers, except for two specific, **limited discounts** allowed by law. Those permitted discounts are: (1) **quantity discounts** on liquor or wine (must be properly posted), and (2) a cash **discount for prompt payment** not exceeding 1% if paid within 10 days of shipment. All other incentives – such as secret rebates, free cases, or unposted promotional allowances – are illegal. This ensures that the posted price is the actual price with no side deals.
- **Fair Distribution & No “Pay-to-Play”:** It is against policy for suppliers to engage in practices that “unduly stimulate” alcohol sales or create a *disorderly market*. For example, suppliers may **not offer one wholesaler a special deal or bonus** that is not available to others, as this would be a form of favoritism contrary to the ABC Law's intent. If a supplier does provide any allowed discount (quantity or early payment), it must be offered uniformly and transparently via the price schedule.
- **No Tied House Interests:** *(While not a pricing rule per se, it's a general compliance standard in the three-tier system.)* Suppliers cannot have a direct or indirect interest in retail businesses (and vice versa) under NY law. This separation means pricing must be negotiated at arm's length. In the pricing context, suppliers cannot circumvent rules by covert arrangements with retailers – all transactions must flow through licensed wholesalers at posted prices.

Pricing & Posting Requirements

- **Monthly Wholesale Price Schedules:** Every supplier selling liquor or wine to NY wholesalers must **file a monthly wholesale price schedule** with the State Liquor

Authority . This “**price posting**” lists the exact prices and terms at which the supplier will sell each product to wholesalers in the upcoming month . The schedule must include: the brand name, package size, bottle/case pricing, the supplier’s own net cost, and any allowed discounts (quantity or cash) for each item . **Combination packaging is not allowed** – each item must be priced individually, not as a bundle with other products . For example, a supplier cannot require a wholesaler to buy one product in order to get a discount on another; each item’s price stands alone on the schedule.

- **Filing Deadlines:** Supplier price schedules for wholesaler sales (often called the “**wholesale schedule**”) are due far in advance. By law, they must be filed **on or before the 25th of each month, two months prior** to the month in which the prices will apply . In other words, a supplier’s prices for (say) **December** must be posted by **October 25**. Once filed, those prices become effective on the **1st day of the second succeeding month** (December 1 in this example) and remain in effect for that month . This advance posting requirement (often called a “post-and-hold” system) gives the SLA and industry notice of upcoming prices. *Compliance Tip:* Missing a deadline means the supplier cannot lawfully sell that product in the intended month, since **no sale can occur unless a schedule is on file and “in effect”** for that item . Suppliers should plan postings carefully to meet the 25th-of-month deadline. (If the 25th falls on a weekend or holiday, the SLA typically accepts the filing on the next business day .)
- **Posting for Direct Retail Sales:** If a supplier is licensed to sell directly to retailers (for example, a New York winery or distillery with self-distribution privileges), it must also file a **retail price schedule** covering those sales . The retail schedule lists the prices at which the manufacturer will sell to retailers (similar format to the wholesale schedule). Retail price postings by manufacturers are due **by the 5th of the month, one month prior** to the month of sale . For instance, a farm winery selling directly to stores in May must post its May retail price list by April 5. This ensures manufacturers don’t undercut the normal wholesale channel without disclosure.
- **Annual Posting Option for Small Producers:** Certain small-scale producers have simplified posting rules. New York law allows **wineries, farm wineries, and craft distillers** in specified classes (A, A-1, B, etc.) to file price schedules **annually** instead of monthly . These annual schedules (wholesale by November 25, retail by December 5 each year) lock in prices for a full year . The small producer can then file interim price changes if needed during the year (with the usual 25th/5th deadlines for changes) . This is a relief for craft manufacturers with infrequent price changes. **Practical note:** Even with annual filing, any price adjustments must still be posted ahead of time – e.g. a winery wanting a mid-year price change must file that change by the 25th of the month, two months before it takes effect .
- **No Sales Outside Posted Prices:** Once a schedule is in effect, a supplier **must not sell at any price or discount other than what was posted** . Selling to a wholesaler for a lower unposted price, or giving an extra case free, would violate the law’s “no

inducements” clause and the posting requirement. The only exception is if the SLA grants **prior written permission for good cause** to deviate from the filed price . Such permission is rarely given and would require a legitimate, non-discriminatory reason consistent with the law’s purpose. In short, the posted price is effectively a **fixed, binding offer** – suppliers must stick to it for the month.

- **Quantity Discounts – Structure and Limits:** As noted, quantity discounts are the sole form of price reduction (besides the 1% cash discount) that a supplier may offer. Any quantity discount must be clearly detailed in the posted schedule (e.g. “\$X per case for purchases of 5 cases or more”). **Volume discounts can only apply on units of two or more**, and the structure depends on how the product is packaged/priced : If the supplier posts only a bottle price (no case price listed), they may offer a discount starting at 2+ bottles; if a case price is listed (in addition to single-bottle price), then any quantity discount can only kick in at **two or more cases** . Discounts may be graduated in tiers (e.g. a bigger discount at 10 cases than at 2 cases), but **all quantity discounts must be uniformly available** to every wholesaler and must not exceed any maximum discount percentage set by law . (The ABC Law itself doesn’t specify a numeric cap on quantity discounts, but it does intend to prevent excessive discounts that could destabilize the market .) **Common pitfall:** “Free goods” deals (e.g. “*Buy 10 cases, get 1 case free*”) are not allowed unless structured as an equivalent per-case discount in the posted schedule. The law forbids free goods outright , so suppliers must convert any intended bonus into a price discount and include it in the filing.
- **Promotional Allowances & Gift Packs:** Suppliers often package branded glassware or other items with their bottles (especially for holidays). Under NY rules, such “**gift**” or **promotional items** packaged with liquor/wine are permitted *only under strict conditions*. The ABC Law defines an “item” for price posting to include certain non-beverage items packaged with the product , but **(1)** the extra item must be of **de minimis** value (no more than \$15 total value) and **directly related** to the use or service of the alcohol, **(2)** it must bear the brand logo, and **(3)** the package must be manufacturer-sealed – not an arbitrary bundle made by a wholesaler or retailer . Importantly, any bottle sold as a gift pack must **also be available for sale individually** (so a customer isn’t forced to buy the promotional item) . Suppliers should list these combo packages as separate “items” on their price schedule. **No other giveaways** (like T-shirts, glassware, etc. *outside* of a sealed package) may be given free to wholesalers or retailers – those would violate the no-inducement rule. (The SLA does allow nominal-value branded promotional items in some cases, but generally they must be **sold** to the retailer at cost, not given free, and properly invoiced .)
- **Filing Mechanics and Record-Keeping:** All price schedules must be filed **electronically** through the SLA’s system (Price Posting Management System) . After filing, **within 10 days** the SLA will make the filed schedules or a composite available for inspection by licensees (typically via an online database). **Within 10 days of posting, suppliers should verify their filings are visible.** Once effective, **schedules are public**

– they are not confidential trade secrets . The law even requires that each manufacturer keep a copy of its current filed schedule **on its licensed premises, available for inspection** by other licensees . This transparency is meant to enforce compliance and fair dealing. Suppliers should maintain organized records of all filings and ensure they charge according to those filed terms.

- **Enforcement and Penalties:** Violations of price posting rules carry serious consequences. The SLA may **suspend or revoke** a supplier’s license, or impose fines, for selling off-schedule or otherwise violating any provision of ABC Law §101-b . Submitting any **false information** in a price schedule (for example, misrepresenting the “net cost” or actual selling price) is likewise grounds for discipline . In addition, the law provides that a supplier’s license bond can be forfeited as a penalty . In practice, suppliers should be extremely meticulous in preparing schedules – mistakes or deceit in posted prices are treated as akin to fraud. A common compliance misstep would be **failing to file on time**, then making a sale – this “unposted sale” is illegal and could trigger a penalty. Another pitfall is giving an unposted discount (even something minor like a free bottle as a thank-you) – such actions are strictly prohibited. **Bottom line:** adherence to filed prices is mandatory, and the SLA actively enforces this to maintain a level playing field.