

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.**

## Retailers

### General Obligations

- **Purchase Only from Licensed Sources at Posted Prices:** Retailers (whether package stores, bars/restaurants, or beer retailers) are only allowed to buy alcoholic beverages from New York licensed wholesalers or manufacturers, never from unlicensed sellers or out-of-state sources. They must also **pay the posted price** for those beverages. It is illegal for a retailer to knowingly accept any secret discount or deal that isn't reflected in the wholesaler's filed price schedule. In practice, this means retailers should always be charged the exact price listed on the current month's price sheet (minus at most the 1% cash discount if they pay promptly). If a wholesaler offers a lower price that sounds "off the books," the retailer is expected to refuse – participation in an unposted transaction can jeopardize the retailer's license as well. **Compliance tip:** Retailers can protect themselves by using the SLA's price lookup database to confirm the correct wholesale prices. If a wholesaler's invoice shows a different price than the SLA list, that's a red flag – the retailer should clarify and, if necessary, report discrepancies. Retail licensees have a duty to uphold the law by not engaging in banned inducements or unofficial discounts.
- **No Kickbacks or Bribes:** Just as wholesalers can't give, retailers **cannot solicit or receive** any rebates, allowances or inducements outside the posted price structure. It is a two-way street – offering or accepting such illegal perks can be considered a violation by both parties. For example, a retailer should not ask a wholesaler for a "credit" on the next order as a reward for buying large volumes, nor request free product or services in exchange for carrying a brand. Even seemingly innocent arrangements like "If you fund my store's tasting event, I'll buy an extra pallet" can cross the line into unlawful inducement. The ABC Law intends that retailers make independent buying decisions based on price and product merit, not side agreements. **Common pitfall:** Retail staff sometimes request gifts (e.g. "Can you throw in some bar mats or a neon sign?") – unless those items are nominal and approved by SLA rules, wholesalers must charge for them, and retailers should expect to pay fair market value. Accepting valuable free items (coolers, TVs, furniture, etc.) from a supplier is absolutely prohibited. Retailers should train their employees that asking for or accepting freebies can put the license at risk.
- **Adherence to Credit Terms:** Retailers are generally required to pay wholesalers in accordance with state law credit terms. For liquor and wine, while the ABC Law permits

up to 30 days credit, **if a retailer becomes delinquent (fails to pay by the end of the credit period), wholesalers must cease alcohol deliveries to that retailer** until payment is made and the SLA clears them (wholesalers will report delinquencies) . For beer and wine products, NY law *mandates* cash on delivery or limited credit (the “**30 day credit law**”) – any retailer listed as delinquent cannot buy more on credit . This is more of a payment compliance issue than pricing, but it ties into fair business practices. Retailers must manage their payables to avoid being shut off from supplies. From a pricing perspective, retailers should note that taking advantage of the 1%/10 day discount is optional; if they don’t pay within 10 days, they simply pay the full posted price. However, failure to pay by 30 days will result in being placed on a **no-sale list**, which all wholesalers honor . Compliance advice: always pay invoices on time – beyond legal compliance, it maintains good standing and access to products.

- **No Resale to Other Retailers:** Retailers are licensed only to sell to consumers (or for on-premise consumption, in the case of bars/restaurants). They **cannot act as de facto wholesalers** by reselling alcohol to other retailers. Such activity (aside from very limited exceptions, e.g. an on-premise licensee may buy from a retail store in an emergency under SLA guidance) is illegal. If a retailer sells inventory out the “back door” to a bar, that’s an unlicensed wholesale sale and violates ABC Law §§100(1) and 102. One reason this is relevant to pricing compliance: circumventing the three-tier system could lead to unposted pricing arrangements and tax evasion. Retailers should only acquire inventory through proper channels and only sell to end consumers (or permittees as allowed by law). This ensures that the price posting system isn’t undermined by gray-market dealings between retailers.
- **Retail Price Setting:** New York used to have a minimum retail price rule (historically, retailers had to sell liquor at not less than 112% of the wholesale cost, a law intended to prevent predatory underpricing). However, that specific **112% minimum markup rule was struck down** decades ago in a court case (324 Liquor Corp. v. Duffy) and is *no longer in effect*. Today, **retailers are free to set their own shelf prices** for consumers, as high or low as they wish, provided they still purchase their stock at the posted wholesale prices. There is **no statutory minimum consumer price** for off-premises wine and liquor sales in NY now. (One exception: retailers cannot engage in certain promotional games like offering unlimited drinks for a fixed price in on-premise settings – but that is about consumer promotions, not wholesale pricing). So a package store can run sales or discounts to consumers at its discretion; the key is that the retailer itself must have paid the full posted cost on the wholesale end. **Note:** Retailers should also comply with general consumer protection laws (e.g. not selling below cost to harm competition in a way that violates antitrust laws), but the ABC Law does not prescribe retail profit margins.
- **Display of Price Signs:** Off-premises retailers (like liquor stores) have some specific rules on signage and couponing, mostly for consumer transparency and to avoid misrepresentation. For instance, retailers must post certain signs (like no sales to

minors, etc.), but **any interior price signage provided by manufacturers/wholesalers must be in line with SLA rules**. As mentioned, wholesalers can't just furnish advertising signs without permission, so typically any manufacturer-supplied price signs or shelf talkers need SLA approval and often must be generic (not promoting a particular retailer's discount specifically). Retailers should be cautious in using supplier-provided promotional materials that include pricing – ensure they're allowed or have them purchased/invoiced to avoid the appearance of a gift.

## Pricing & Posting Requirements

- **No Filing Requirement for Retailers:** Retail licensees **do not file price schedules** with the SLA – the posting system operates at the supplier and wholesaler tiers only. Retailers are the recipients of posted prices, not the posters. Thus, there is no monthly “retail-to-consumer” price list that a retailer must submit to the state. Retailers can change their consumer prices anytime (e.g. a store can run a weekend sale on wine without any filing). The state's concern is with the *wholesale* pricing fairness. That said, retailers must keep internal records of their wholesale purchase invoices (to prove they obtained stock lawfully and at what price). The SLA or state tax agents may audit a retailer's books to ensure all inventory was purchased from licensed wholesalers at proper prices.
- **Obligation to Pay Posted Prices Only:** The flip side of not filing prices is that retailers are bound to honor the system by **only transacting at the posted wholesale prices**. They should never attempt to negotiate a different deal that isn't reflected on the current price list. For example, if a retailer wants a better price, the proper route is to ask the wholesaler if they plan to file a lower price next month or match a competitor's price through the SLA's amendment process. It would be improper to, say, agree with a wholesaler that the wholesaler will “throw in” an extra product or secretly adjust an invoice later. Retailers effectively police compliance by insisting on being charged the published price. If a wholesaler somehow charges less (perhaps in an attempt to unload stock), the retailer should be wary – that could be an unlawful inducement that might come to light later. In short, retailers must **not knowingly participate in any price scheme that isn't officially posted**. Keeping copies or printouts of monthly price books from all regular wholesalers is a good practice so the retailer knows the baseline.
- **Promotional Allowances from Suppliers:** Suppliers sometimes run consumer promotions involving retailers – for example, a rebate coupon program or funding a tasting event at a store. **Retailers must ensure any such promotion is permitted under NY law**. Generally, manufacturers cannot give retailers cash or rebates to subsidize consumer sales; any consumer coupon that a retailer redeems and then seeks manufacturer reimbursement for is carefully scrutinized. New York tends to disfavor manufacturer coupons for alcoholic beverages (because they function as a price reduction that isn't reflected in the posted wholesale price). If a supplier issues a coupon

to consumers, often the retailer must redeem it at the register and the supplier reimburses the retailer later. While tax law might treat that as no change in shelf price, the SLA's view could be that the manufacturer is effectively giving an off-invoice discount to stimulate sales – which could breach the “no rebate” rule if not structured properly.

**Retailers should consult SLA guidance or advisories before participating in any supplier-funded coupon or rebate program.** Some programs can be structured legally (for instance, manufacturers running sweepstakes or mail-in rebates that don't involve the retailer discounting at point of sale), but retailers need to ensure they are not directly receiving funds or benefits that could be seen as a quid pro quo for selling a brand.

- **On-Premise Promotions:** For bars and restaurants (on-premise retailers), pricing compliance also means avoiding unlawful promotions that could violate ABC Law or SLA rules. While these relate to consumer pricing, it's worth noting common issues: **“all you can drink” offers are prohibited** by ABC Law §117-a, and extreme drink discounts (like unlimited drinks for one price, or deeply discounted happy hours that violate local laws) are not allowed. These rules are about temperance and consumer safety, but they intersect with compliance culture – a bar that disregards pricing rules for consumers might be more likely to cut corners on wholesale purchase rules too. On-premise retailers must buy all alcohol from wholesalers at posted prices; they cannot, for example, let a promotional rep “drop off” free product to run a promo night. Any tasting or free drink event at a bar needs to use product the retailer purchased (or follow specific SLA promotional event guidelines). **In sum:** retail licensees must conduct promotions within the law and never accept unpurchased inventory or monetary support directly from industry members in exchange for featuring products.
- **Filing and Posting of Consumer Prices:** Although retailers do not file their prices with the state, they should still **clearly display prices to consumers in the store** (this is governed by general consumer protection law and SLA rules for signage). For instance, a liquor store must have price tags or shelf labels for all products and honor those prices at checkout – price switching or deceptive pricing can lead to consumer complaints and SLA involvement. There's also a specific provision in ABC Law requiring **posting of signs for certain retail licenses** (ABC Law §105-b) about warning the public of something – not directly related to product pricing, but it's part of retail compliance. While not central to the pricing compliance requested, it underscores that retailers have a duty to be transparent and honest in their pricing to consumers, complementing the fairness enforced in wholesale pricing.
- **Common Pitfalls for Retailers:** From a pricing compliance standpoint, retailers often find themselves in trouble by **attempting to get around the system** when a product is in short supply or if seeking volume deals. One example is splitting purchases with other retailers – e.g., Retailer A buying a large quantity to get a discount and then covertly selling a portion to Retailer B. This is illegal (Retailer B is buying from an unauthorized source), and both licenses could be at risk. Another pitfall is accepting “free samples” in

excessive quantities – wholesalers and suppliers can only give very limited samples to retailers (usually only small sizes and only to the licensee or their employees for tasting, not for retail sale). A retailer should never receive full cases as “samples.” Additionally, retailers must be cautious with loyalty programs or points if they sell alcohol; any such program must not violate state rules (for example, offering points for alcohol purchases that can be redeemed for discounts might run afoul of liquor discounting rules). Always check SLA advisories for retail promotions. Finally, maintaining **invoices for every alcohol purchase** is critical – failure to produce invoices during an SLA inspection (to prove the product was bought from a wholesaler at the proper price) is a violation. Retailers should organize invoices by date and supplier, keep them for at least the statutory period (usually 2 years), and reconcile them against posted prices periodically. This self-audit can catch if perhaps a wholesaler mistakenly overcharged or undercharged relative to the posting, allowing the retailer to address it proactively.