

How to implement the 1% Santa Barbara County Wine Preserve Assessment in Nexternal (California Sales)

Santa Barbara County has introduced a **1% “Wine BID” assessment** on winery direct-to-consumer sales, effective April 1, 2025. This fee applies to **all retail DTC sales within California** – including tasting room purchases, wine club orders, merchandise, event sales, and any orders shipped to a California address.

The funds are collected to support regional marketing via the Santa Barbara Vintners Association. Wineries must add this 1% fee to applicable sales **and** charge sales tax on the fee (since it’s part of the taxable sale of goods)

To apply a 1% fee to all retail sales in California using the Nexternal POS system, where the assessment is also subject to sales tax, follow these steps:

- 1. Access the Nexternal Order Management System (OMS):**
 - Log in to your Nexternal OMS with your administrator credentials.nexternal.com
- 2. Navigate to the 'Settings' Section:**
 - From the main dashboard, click on 'Settings' to access system configurations.
- 3. Locate the 'Order Processing' Settings:**
 - Within 'Settings,' find and select 'Order Processing' to manage order-related configurations.nexternal.com
- 4. Set Up a 'Surcharge' for the Fee:**
 - In the 'Order Processing' section, look for 'Surcharges' or a similar option.
nexternal.com
 - Click 'Add New Surcharge' to create a new surcharge.
 - Name the surcharge (e.g., "SBC Wine Preserve").
 - Set the surcharge rate to 1% of the order total.
 - Ensure the 'Apply to All Orders' option is selected to include this surcharge on all retail sales.
- 5. Configure the Surcharge to Be Taxable:**
 - Within the surcharge settings, there should be an option to mark the surcharge as taxable.
 - Enable this option to ensure that the 1% fee is included in the taxable amount of the order.
- 6. Save and Test the Configuration:**
 - After configuring the surcharge, save your changes.
help.extensiv.com



- Perform test transactions to verify that the 1% fee is correctly applied and that it is included in the taxable amount.
7. **Consult Nexternal Support if Needed:**
- If you encounter any issues or require further assistance, contact Nexternal's customer support for guidance.

Important Considerations:

- **Tax Compliance:** According to the California Department of Tax and Fee Administration (CDTFA), fees or assessments related to the retail sale of tangible personal property are subject to sales tax. Therefore, it's essential to configure the assessment as taxable to comply with state regulations.

Final Steps and Tips

- **Verify on Receipts/Reports:** After implementation, verify that your receipts (printed and emailed) show the line item correctly.
- **Account for the Fee:** The 1% collected will need to be passed on to the Santa Barbara Vintners (via the BID's third-party collector). More details will be provided on how to remit the fees collected as soon as the contract with the County is finalized. Likely the reporting and payment to the BID's third-party collector will be monthly in the first year, then quarterly after the first year.

Required Disclosure – If the assessment is passed on to customers, it must be disclosed in advance. The disclosure can be placed:

- On a sign or placard in the tasting room
- On tasting room menus, event flyers, and restaurant menus (if applicable)
- In the footer of your website or in the checkout/cart
- On receipts, even if the customer declines the receipt
- In wine club emails

Sample Disclosures

- If the fee is passed on:
"All retail sales subject to a 1% Santa Barbara County Wine Preserve fee."
- If the fee is included in the retail price:
"All retail sales include a 1% Santa Barbara County Wine Preserve fee."

