

Santa Barbara County Wine Preserve (BID) Best Practices

DECIDE HOW YOU WILL HANDLE THE FEE

The Santa Barbara County Wine Preserve is an assessment placed on wineries to fund the protection and promotion of the wine industry. The winery is responsible for the collection and payment of this assessment.

The winery also has the choice to pass on the fee to the consumer. There are different rules that apply if the assessment is passed on to the consumer.

Absorbing (winery pays) vs. Passing on the Fee (consumer pays) –

- If absorbed, the winery pays the BID fee from its revenue.
 - To do so, integrate the fee into the price of the retail item by adding 1% to the price of the item.
- If passed on to the consumer as an additional line item.
 - Add 1% to all taxable retail sales in California. See additional processes below.

When the time comes to pay the fee, you calculate 1% of your CA taxable sales and that is the amount that you pay for the fee.

POS SYSTEM SETUP & CONFIGURATION

Ensure your Point of Sale (POS) system is set up if you are passing the fee onto the consumer. Some systems may be able to do this automatically, some may need to be manually added.

Label the Fee Clearly – name the line item:

- “Santa Barbara County Wine Preserve”
- “SBC Wine Preserve”
- “SBCWP” (if character limits apply)

If your POS has a section for details, here is suggested messaging: “The Santa Barbara County Wine Preserve is a taxable 1% assessment added to all California orders that funds the promotion and protection of our world-class wine region.”

Fee Collection – Configure your POS system to automatically apply the 1% fee on all taxable gross retail sales, or configure it manually.

Test Before Going Live – Run test transactions to confirm the fee is applied correctly and appears on receipts, or in the cart.

STAFF TRAINING & INTERNAL COMMUNICATION

Educate Your Team – Provide staff with a simple, positive explanation of the BID fee:

- *“The 1% fee helps fund marketing efforts that attract visitors and boost wine sales for our winery and others in the region. It also provides funding to protect the region through government education around regulations of our industry.”*

Train on Customer FAQs – Prepare staff for common customer questions, such as:

- *“Is this a tax?” → “No, this is a business fee that directly benefits local wineries.”*
- *“Can I opt out?” → “All wineries within the district participate in this initiative to promote Santa Barbara County wines.”*

Encourage Positive Messaging – Frame it as an investment in the wine community, reinforcing that it supports marketing, events, advocacy, and tourism.

CUSTOMER COMMUNICATION & DISCLOSURE REQUIREMENTS

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

- On a placard or sign in the tasting room (links to flyers below)
- On tasting room menus, event flyers, and restaurant menus
- 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 & Printable Flyers

- If the fee is passed on ([download flyer here](#)):
“All retail sales subject to a 1% Santa Barbara County Wine Preserve fee.”
- If the fee is included in the retail price ([download flyer here](#)):
“All retail sales include a 1% Santa Barbara County Wine Preserve fee.”

LEGAL & COMPLIANCE CONSIDERATIONS

Start Date – The 1% BID fee begins collection on April 1, 2025.

Initial Collection Schedule – Payments to the third-party collector (HdL) will be quarterly, starting in July, 2025.

Understand Fee Scope – The 1% BID applies to all Direct-to-Consumer (DTC) sales, including:

- Wine sales (tasting room, online, phone orders)
- Wine club shipments
- Tasting fees, tours, and event tickets
- Merchandise and prepared foods (if applicable)

Exempt Transactions – The BID does NOT apply to:

- Wholesale wine sales
- Out-of-state transactions
- Contracts executed before April 1, 2025

Tax Implications – The California Department of Tax and Fee Administration (CDTFA) states that sales tax applies to BID fees on taxable items.