How to implement the 1% Santa Barbara County Wine Preserve Assessment in Shopify (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)

Below are step-by-step instructions to configure Shopify POS for **in-person and online sales**.

Add Fee as a Product (Separate Line Item)

Create a separate **fee line item** that gets added to each applicable order. We achieve this by treating the 1% assessment as a product/service in Shopify. This line item will appear above the tax line and, because it's a normal product (just one created for the fee), it will be taxed at the standard rate.

Setup the Fee Product: <mark>Manual addition during each transaction.</mark> (for Automated Fee Application, jump to page 3)

1. **Create a "1% Assessment" Product:** In **Products > Add product**, create a new product called something like *"SBC Wine Preserve" or "SBCWP"*. You may want to set the **Price to $0.00** (we will adjust the price at runtime) or a nominal value, since it will vary per order.
2. **Make it Taxable:** Under **Pricing**, check **"Charge taxes on this product"**. This is crucial – it ensures that when this item is added to an order, Shopify will apply California sales tax to it just like any other product. (This satisfies the requirement that the 1% fee itself is taxed at the same rate as the rest of the sale.)
3. **Hide from Online Store:** If you don't want customers to see or purchase this item on its own, uncheck the Online Store sales channel visibility (or mark it as a draft product). It's just a fee placeholder, not something anyone should manually buy directly.

Applying the Fee in Shopify POS (In-Person Sales):

For each tasting room transaction involving taxable sales, your staff will need to add this "1% Assessment" line item:

- **Method 1: Use Custom Sale** – Shopify POS allows adding a custom line item on the fly. Tap **"Add custom sale"**, enter the name (e.g.

"1% Assessment Fee") and the price which is 1% of the customer's merchandise total, and mark it as taxable. For example, if the pre-tax sale subtotal is $50.00, enter $0.50. Shopify POS will list this as a separate item in the cart. Because it's marked taxable, the POS will include this $0.50 in the taxable amount for calculating sales tax.

- **Method 2: Use the Fee Product** – Add the product you created ("Santa Barbara 1% Assessment") to the cart. By default its price might be $0.00, but POS (if you have the "Allow price editing" option enabled for custom items or if using a discount to adjust it) could let you override the price. Alternatively, you can create the fee product with a small unit price (like $0.01) and then adjust the **quantity** to reach roughly 1% of the sale. For instance, for a $50 sale, adding 50 units at $0.01 gives $0.50. This is a bit cumbersome, so using the custom price entry is easier.

To streamline this in POS, consider adding the fee product or custom sale as a **tile on your POS home grid**. For example, you could add a tile that when tapped, adds the "1% Assessment" product to the cart. Staff would then just input the correct amount. This reduces the chance of forgetting the fee.

Applying the Fee in Online Shopify Orders (Web Sales):

Shopify's checkout won't automatically add this fee item without some custom solution:

- If you have **Shopify Plus**, you can use a **Script or Shopify Function** to automate adding the fee. For example, a Shopify Script (written in Ruby via the Script Editor) can calculate 1% of the cart subtotal for customers with a California shipping address and add the "1% Assessment" item with that price to the cart at checkout. This script would run after the customer enters their address (to determine if CA). Shopify Plus also allows a custom checkout, so you could label the line clearly. (Creating such a script requires developer input – but it achieves a truly automated, itemized fee on Plus.)
- If you **do not have Shopify Plus**, fully automating this is not possible with native features alone. A semi-manual workaround is to edit orders after they're placed: for any order shipping to CA, you could **edit the order** in the admin to add the "1% Assessment" product with the appropriate price, then send the customer an invoice for the difference before fulfillment. However, this is labor-intensive and risks compliance issues if the customer doesn't pay the additional fee. **Alternatively,** you might increase all your product prices by 1% and then refund that amount for non-CA customers – but this is also messy and not recommended. In short, without an app or Plus script, Shopify's native checkout can't easily add a dynamic fee line item for online orders.

App/Plugin Solution (Automated Fee Application)

To avoid manual calculations and ensure the 1% assessment is always applied when required, you can use a **Shopify app** designed to add fees or surcharges. These apps inject an extra line item at checkout under certain conditions (e.g. based on location), and can be configured to be taxable. Here are recommended apps and how to set them up:

1. Magical Product Fees (Excise Tax & Surcharge App) – Best for Online + POS

Automatically adds a taxable, separate line item for the 1% assessment at checkout.
Works on both online store and Shopify POS for in-person sales.
Supports conditional application (only applies when shipping to California).
Seamless checkout integration (no need for manual adjustments).

Starter Plan: $9.99 per month.
- Features:
    - Fixed price fees.
    - Percentage-based fees.
    - Apply fees to products.
    - Apply fees to order subtotal.
    - Compatible with Online Store and POS.

Growth Plan: $19.99 per month.
- Additional Features:
    - Features tailored for Shopify Plus users.
    - Fixed or percentage fees to order total.
    - Location-based fees.
    - Payment method fees.

Trial Period: 14-day free trial.
Additional Notes: This app offers a comprehensive solution for adding required fees, surcharges, tariffs, and deposits to products or orders, with advanced customization options.

Setup Instructions for Magical Product Fees App

Step 1: Install the App

1. Visit the **Shopify App Store** and search for **"Magical Product Fees"** (or click here if searching manually).
2. Click **"Add App"** and complete the installation.

Step 2: Configure the 1% Assessment Fee

1. Open **Magical Product Fees** from your Shopify Admin.
2. Click **"Create New Fee"** and select **Percentage Fee**.

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3. **Name the fee** → *Santa Barbara Wine BID 1% Assessment*.
4. **Set the fee amount** → **1% of the order subtotal** (excluding shipping).
5. **Mark the fee as taxable** (this ensures that CA sales tax applies to it).

Step 3: Apply the Fee Only to California Orders

1. Under **Conditions**, set the rule:
    ○ **Applies only if the shipping address is in California.**
2. **Enable for POS** → Ensure the fee applies to both **Online Store and POS** (if using Shopify POS in your tasting room).

Step 4: Test Checkout & POS Transactions

1. Add products to your cart and enter a **California shipping address** → The **1% assessment** should appear as a **separate line item above the tax line** at checkout.
2. If using **Shopify POS**, ring up an order and verify that the **fee automatically appears** when finalizing the transaction.

2. UpCharge: Surcharges & Fees (Alternative Option for Online Sales)

Adds a percentage-based surcharge as a separate line item
Can be customized to apply only to California transactions
Works best for online store checkout (not fully integrated with POS)

<mark>**Recommended for use with Bloom.**</mark> Once installed, contact Bloom support to test and confirm it is working properly.

https://apps.shopify.com/product-fees

- Estimated Cost: $9.99 per month
- Features:
    ○ Unlimited product fees and surcharges.
    ○ Location-based order fees, tariffs, and surcharges.
    ○ Fixed and percentage-based fees.
    ○ Product and cart conditions.
    ○ International order tariffs and fees.
    ○ Online chat and email support.
- Trial Period: 14-day free trial.

Setup Instructions for UpCharge

1. **Install the App** → Find **UpCharge: Surcharges & Fees** in the Shopify App Store and install it.
2. **Create a New Surcharge**

- o Name it *"Santa Barbara Wine BID 1%"*.
- o Set the fee type as **1% of subtotal**.
- o Enable **Taxable Fee** (so sales tax is applied to the fee).
3. **Set the Fee to Apply Only to California**
   - o Use UpCharge's built-in location filter to apply the fee only when a California shipping address is entered.
4. **Test Online Checkout**
   - o Add a product to the cart, proceed to checkout with a California address, and verify the **1% assessment appears as a separate line item before tax.**

Note: UpCharge is **not fully compatible with Shopify POS**, so if you need a solution for both online and in-person sales, **Magical Product Fees is the better choice**.

3. Feesly (Best for Shopify POS Only – In-Person Sales)

Adds a surcharge during in-person transactions at checkout.
Designed for Shopify POS (not online store).
Low-cost option ($0.99/month).

https://apps.shopify.com/custom-fees?

Estimate Cost: $0.99 per month.
Features:
- Create fixed or percentage-based fees.
- Apply fees manually on your POS.
- Configure a list of fees for your POS.
- Reports on fee usage.
- Decimal fees support.

Trial Period: 30-day free trial.

Setup Instructions for Feesly on Shopify POS

1. Install **Feesly – POS Fees & Surcharges** from the Shopify App Store.
2. Create a **New Fee** labeled *"Santa Barbara Wine BID 1%"*.
3. Set the fee type as **1% of subtotal** and ensure it is **taxable**.
4. In **Shopify POS**, add Feesly as a **Smart Grid Tile** (so staff can tap it to apply the fee).
5. Test an in-person sale to confirm the **fee appears above tax** on receipts.

Best Use Case: If you only need an automated solution for **in-person sales** (tasting room transactions) and not online, **Feesly is a simple and affordable option**.

Final Recommendations

Scenario	Recommended App	Works for Online Store?	Works for Shopify POS?
Online + In-Person Sales	**Magical Product Fees**	✅ Yes	✅ Yes
Online Store Only	**UpCharge**	✅ Yes	❌ No
POS Only (Tasting Room)	**Feesly**	❌ No	✅ Yes

- **For a complete online & POS solution:** → Use **Magical Product Fees**
- **For online-only (e-commerce sales):** → Use **UpCharge**
- **For POS-only (in-person sales):** → Use **Feesly**

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."

Clarify on Receipts – Ensure that receipts display the BID fee as a separate line item with clear wording if passed on to the consumer.

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