



JON S. CORZINE
GOVERNOR

STATE OF NEW JERSEY
OFFICE OF THE ATTORNEY GENERAL
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF ALCOHOLIC BEVERAGE CONTROL
P.O. Box 087
TRENTON, NJ 08625-0087
PHONE: (609) 984-2830 FAX: (609) 633-6078
HTTP://WWW.NJ.GOV/LPS/ABC

ANNE MILGRAM
ATTORNEY GENERAL

JERRY FISCHER
DIRECTOR

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NOTICE TO RETAILERS AND WHOLESALERS

The Division of Alcoholic Beverage Control has received a number of inquiries concerning return of alcoholic beverage products to wholesalers by retailers. Returns are prohibited except in the very limited circumstances described in N.J.A.C. 13:2-39.1(a):

(a) No manufacturer, brewer, winery, distiller, rectifier and blender, wholesaler or distributor privileged to sell to retailers shall accept a return of any alcoholic beverages from a retail licensee for cash, credit or exchange, nor shall any retail licensee accept any cash, credit or exchange, except for one of the following reasons:

1. Defective product and breakage which occurred prior to or simultaneously with delivery of such products to the retailer;
2. Bona fide error in product delivered;
3. Product which may no longer be lawfully sold;
4. Product on hand when retail licensee terminates business (subject to applicable rights of other persons protected by State or Federal laws);
5. Change in product or labeling of product;
6. Discontinued product;
7. Product likely to spoil from retailers who are only open for a portion of the year;
8. Rotation of malt alcoholic beverage product consistent with the policy established by the brewer; or
9. Such other good cause as may be approved by the Director.

A wholesaler is not required to accept returns for any of the reasons noted in the regulation, but if it does so, the return policy must be applied to all similarly situation retailer licensees. Retailers are reminded that returns for breakage or defective product are limited to product damaged prior to or simultaneously with delivery of the product to the retailer. In circumstances that are not one of the above listed reasons, the parties may petition the Director for approval, pursuant to N.J.A.C. 13:2-39.1(a)(9). If any parties have questions, they should contact the Division for clarification. The Division monitors the records of wholesalers to ensure compliance with the regulations governing returns.

