NEW YORK STATE | Liquor Authority

KATHY HOCHUL
Governor

LILY M. FAN
Chair

ADVISORY #2026-5

Subject: Charitable Donation References on Brand Labels

This advisory is issued to provide guidance on the New York State Liquor Authority's ("the Authority's") brand label review process with respect to charitable donation references on brand labels. Under Alcoholic Beverage Control Law ("ABCL") §111, persons or entities not disclosed to the Authority and not named on the license may not use the license or hold an ownership, controlling, or otherwise prohibited financial interest in the licensed business. Based on §111, the Authority's prior practice has been to refuse brand labels that included language which stated that a portion of the sales proceeds of the product would benefit a named charitable organization. To support legitimate philanthropic activity that benefits the public, the Authority has determined that a more precise and refined reading of ABCL §111 is warranted in this circumstance, and as such, the Authority is revising its prior interpretation with respect to this issue.

Effective immediately the Authority will permit references to charitable organizations and donations on brand labels, subject to submission of the appropriate verification and subject to a review of the arrangement by the Authority. For purposes of this advisory, the term "charitable organization" shall include any bona fide religious or charitable organization or any bona fide educational, fraternal or service organization or any bona fide organization of veterans or volunteer firefighters, provided the contributions to such organization are deductible for federal income tax purposes.

Relevant Law and Authority Precedent

ABCL § 111 generally prohibits the transfer or use of a liquor license to any other person or entity not listed on the license itself, except as authorized by the Authority. When an undisclosed outside person or entity holds ownership, financial, or controlling interest, or shares in the profits of the licensed business without the express permission of the Authority, the Authority treats the arrangement as availing and may bring disciplinary action against the licensee where sufficient proof of such a violation exists.

Brand label registrations stating that a portion of sales or proceeds of the product would benefit a charitable organization have historically been denied under ABCL § 111 on the theory that, due to the sharing of proceeds, such a statement reflected the use of the license by an outside entity not listed on the license itself. As a result, such arrangements have been interpreted in the past as being prohibited.

Under Advisory 2017-6, licensees may donate from their own inventory of alcoholic beverages to qualifying charitable organizations subject to certain requirements. By permitting these donations, the Authority has recognized a licensee may lawfully donate a portion of its own business assets to charity. For the purposes of ABCL § 111, there is no meaningful legal distinction between donating inventory and donating cash; in either case, the licensee is using its own assets for a charitable purpose. The relevant inquiry is whether the licensee's arrangement confers on an outside entity ownership, control, or a prohibited financial interest in the licensed business. The Authority has previously recognized that charitable donations are not prohibited and may be permissible in other contexts. Therefore, this advisory brings the practice of referencing charitable donations on brand labels, and the associated financial arrangements of such a reference, into conformity with the Authority's interpretation of other forms of charitable donations.

Brand Label Review Revised Policy

Labels may state that a specified amount or portion of the sales or proceeds from a particular product will be donated to a bona fide named charitable organization, provided the statement is truthful, not misleading, and otherwise complies with the Authority's rules and applicable federal requirements. Pursuant to Part 84 of the Authority's regulations, the Authority will exercise its judgment to determine whether any label contains any statements or representations that would tend to deceive the consumer. Language referencing a charitable donation will not, standing alone, be treated as evidence that the charitable organization has a prohibited interest in the licensed business or that the arrangement constitutes availing or an impermissible transfer. Approval of the label does not preclude the Authority from separately reviewing or investigating the underlying arrangement if facts suggest that the charitable organization has an ownership, controlling, or otherwise prohibited financial interest in the licensed business. The amount or duration of the donation will not, by itself, determine whether the arrangement is permissible under ABCL § 111.

For brand labels approved by the Alcohol and Tobacco Tax and Trade Bureau that remain subject to state registration, ABCL § 107-a(4)(a)(2) provides that the label is deemed registered and approved unless the Authority denies the application within seven business days after receipt. Consistent with this statutory timeframe, review under this advisory will focus on the label and required submissions, without limiting the Authority's ability to separately investigate the underlying arrangement for compliance with ABCL § 111.

For wines containing 7 percent or more alcohol by volume, a label approved by the Alcohol and Tobacco Tax and Trade Bureau is deemed registered and approved under ABCL § 107-a, and no separate state brand-label application is required. The Authority nevertheless requires submission of the federal Certificate of Label Approval or exemption and any required appointment letter. If the label includes a charitable donation reference, the brand owner or agent shall notify the Brand Label Unit and provide the information required by this advisory when submitting those documents. Such notice does not constitute a separate brand-label application or alter the label's statutory approval, and the Authority may separately review the underlying arrangement for compliance with ABCL § 111.

When submitting a brand label registration that includes a reference to a charitable donation, the applicant must submit the following:

- Reasonable documentation that the organization receiving the donations qualifies as a charitable organization under this advisory such as but not limited to IRS determination letters, Form 990 or equivalent state documentation such as CHAR500;
- A statement explaining the relationship between the licensee and the charitable organization;
- A statement detailing the arrangement to donate to the charitable organization, including its anticipated duration and the precise amount or formula used to calculate the donation, such as a fixed amount per container or a stated percentage of sales or proceeds; and
- Documentation showing that the applicant is authorized to use the name, logo, and/or identifying mark of the charitable organization if it is to appear on the label;
- A copy of any federal label approval required for the product.

The Authority reserves the right to conduct additional inquiries for circumstances suggesting an arrangement is more than a charitable donation and instead is creating an ownership interest in, control over, or an otherwise impermissible economic interest under the ABCL. If the Authority determines that the arrangement creates such an interest, the arrangement may constitute availing under ABCL § 111 and will not be permissible under this advisory.

This matter was heard and determined by the Members of the Authority at a Full Board meeting held on September 23, 2026 before Chair Lily Fan, Commissioner Edgar De Leon, and Commissioner Maya. The above written advisory was approved by Chair Fan on behalf of the Members of the Authority on September 23, 2026.

Dated: 09/24/26

Donald Roper
Secretary to the Authority