

DOR on Tap

An Alcohol Industry Update

May 2022 | AIU 012

In February 2022, the Alcohol & Tobacco Enforcement Unit said farewell to two of our enforcement agents who retired: Special Agents William (Bill) Gray and Georgeann King.

Bill Gray served the state of Wisconsin for approximately six years while with the Alcohol & Tobacco Enforcement Unit. Before that, Bill served many years with local law enforcement agencies around the Eau Claire area. Bill's enforcement area primarily covered the west-central part of Wisconsin.

Georgeann King served the state of Wisconsin for over 25 years, the last 23 years with the Alcohol & Tobacco Enforcement Unit. Georgeann's dedicated service to our state was recently honored when she was named as a recipient of the 2021 Wisconsin Woman Officer of the Year Award presented by the Wisconsin Association of Women Police. Georgeann's enforcement area primarily covered Milwaukee County.

Both Bill and Georgeann were great resources for many stakeholders, including local law enforcement agencies, municipal officials, business owners, and other community members. Their service to our unit and to the state of Wisconsin has been instrumental to DOR's success. While we congratulate them on their retirement and wish them the best of luck in their future endeavors, we will also miss them dearly.

For those that regularly utilized Bill or Georgeann as a resource, please reach out to DORAlcoholTobaccoEnforcement@wisconsin.gov or 608-264-4573. In a future newsletter, we will announce when these positions have been filled.

Cheers,

Tyler Quam
ATEU | Wisconsin Department of Revenue

Resources & News

[Wisconsin Department of Revenue Website](#)

[Wisconsin Department of Revenue Alcohol Beverage Landing Page](#)

[Operator's \(Bartender's\) License – Training](#)

[Federal TTB \(Alcohol and Tobacco Tax and Trade Bureau\)](#)

[Wisconsin Department of Agriculture, Trade and Consumer Protection](#)

[Wisconsin Department of Health Services](#)

[Wisconsin Department of Justice](#)

[League of Wisconsin Municipalities](#)

Contact Us

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No Pub Brew

In November 2021, agents from DOR's Alcohol and Tobacco Enforcement Unit received information that a bar in central Wisconsin was brewing beer. Agents quickly confirmed that the bar had not applied for, nor been issued, a Wisconsin brewer's or brewpub permit.

Agents immediately made a visit to the Class "B" licensed business and began conducting a licensed premises inspection. The business was open and there were several customers drinking fermented malt beverages at the bar. After agents briefly introduced themselves to an employee, they noticed a room in the corner of the building that contained brewing equipment. The employee of the business confirmed they had made a couple of batches of beer and that there were several finished half barrels in the walk-in cooler.

As agents continued their investigation, they discovered 10 half barrels of beer in the walk-in cooler that had been made by the tavern along with several other tapped half barrels of various brands of beer made by legitimate breweries. Agents verified whether half barrels in the cooler were hooked to the correct tap handles. Two half barrels were connected to incorrect tap handles. One of the half barrels was hooked to a tap handle that identified the beer as being made by the tavern, but this beer was made by another brewery in Wisconsin. Agents also found that several purchase invoices for fermented malt beverages were not present on the licensed premises, as required by Wisconsin law.

Agents ultimately confiscated the 10 half barrels of beer made by the tavern. They also seized the two tap handles that did not properly identify the beer for which they were connected. Agents explained the violations of Wisconsin alcohol beverage laws to the business owner and provided the owner with information to obtain proper permits to engage in brewing fermented malt beverages.

Wisconsin alcohol beverage laws prohibit businesses from manufacturing fermented malt beverages for sale without the proper permit(s). Permits are essential to ensure that only qualified persons may manufacture and sell alcohol beverages. They also provide a mechanism for businesses to pay the excise taxes due on products manufactured and distributed in Wisconsin.

Wisconsin alcohol beverage laws also prohibit licensees from substituting a brand of fermented malt beverage in place of the brand designated on the tap handle. This law serves to inform consumers of the beverages they consume and to deter misrepresentations by businesses engaged in the sale of beer. Finally, Wisconsin law requires retailers to maintain alcohol beverage purchase invoices on the licensed premises for a minimum of two years.

Wine or Beer Walks

A "wine walk" or "beer walk" is a single-day event at which customers are served a glass of wine or beer at multiple locations (e.g., jewelry stores, art galleries, clothing boutiques) during their shopping visits.

A municipality may issue Temporary "Class B" (wine only) licenses for up to two wine walks and any number of Temporary Class "B" (beer) licenses for beer walks within a 12-month period. These licenses may only be issued to a qualified organization, including a chamber of commerce or similar organization, to promote local economic growth and opportunity. Qualified organizations may receive up to 20 Temporary "Class B" (wine only) licenses for a wine walk for premises that do not otherwise have an alcohol beverage license to participate in the wine walk.

Requirements that apply to other alcohol beverage licensees also apply to Temporary "Class B"/Class "B" licensees. For example, licensees must purchase all wine and beer from:

- Liquor or beer wholesalers
- Small winery cooperative wholesalers authorized to sell wine to retail licensees
- Breweries/brewpubs authorized to self-distribute to retail licensees

These authorized sources are required to charge the same price to any licensee purchasing in similar quantities. This means a licensee cannot take any donations of alcohol beverages for their wine or beer walk and must pay full price for alcohol beverages sold at the event. For example, a local winery cannot donate wine for a wine walk directly to a chamber of commerce. Instead, the winery must sell the wine to a permitted wholesaler who then sells to the chamber of commerce. Review the article below titled *Selling, Donating, and Giving Away Alcohol Beverages* and [Fact Sheet 3110](#) for more information about donations.

Each authorized premises of the wine or beer walk must have licensed operators or those with privileges of an operator's license present to serve or supervise the service of alcohol beverages. Licensed operators are persons holding an operator's license, often called a "bartender's license".

Applications for temporary licenses to hold a wine or beer walk may be submitted to the municipality by the qualified organization using [Form AT-315, Application for Temporary Class "B" / "Class B" Retailer's License](#).

For additional information and requirements related to wine and beer walks, see [Fact Sheet 3109](#).

Selling, Donating, and Giving Away Alcohol Beverages

As the Wisconsin weather warms, festivals offering alcohol beverages will reemerge across the state. Some nonprofit organizations use these events as an opportunity to generate revenue from alcohol beverage sales. Nonprofit organizations must hold a retail license to sell alcohol beverages, but there are some exceptions. For example:

- A charitable organization defined under sec. [202.11\(1\)](#), Wis. Stats., may auction off sealed bottles of alcohol beverages to raise money.
- An organization holding a raffle license under ch. 563, Wis. Stats., may award alcohol beverages in original containers as a prize in a raffle.

Organizations that meet these exceptions may accept donations of alcohol beverages for their event as long as they do not hold a retail license.

For more information, see [Fact Sheet 3110](#), *Selling, Donating, and Giving Away Alcohol Beverages*.

Consignment Sales by Alcohol Beverage Wholesalers

Wisconsin law prohibits alcohol beverage retailers from receiving any alcohol beverages on any basis other than a bona fide sale from an authorized source, such as a permitted Wisconsin wholesaler. This means that retailers must pay for alcohol beverages at the time of purchase, and the beverages generally, cannot be returned to the wholesaler. Alcohol beverages may be purchased by retailers on credit, however, Wisconsin law provides that retailers cannot purchase fermented malt beverages on a credit term of more than 15 days and intoxicating liquor on a credit term of more than 30 days.

Below are some acceptable examples of consignment purchases/exchanges of alcohol beverages by retailers.

- Wholesalers may replace expired or spoiled product at retailers, if it is replaced with an identical brand, flavor, quantity, size, etc., and the transaction is documented on an invoice to the retailer.
- Products recalled for public health reasons may be removed from retailers' premises.
- Self-distributing brewers or fermented malt beverage wholesalers may allow refrigerated trucks or trailers to remain on Class "B" premises for the storage of beer during an event, and after the event the brewer or wholesaler may issue one invoice to the licensee for the beer consumed at the event.

Vessel Permits (Application: Form AT-212)

The department may issue Class "B" beer and "Class B" liquor permits authorizing the retail sale of alcohol beverages for consumption on a vessel. To qualify for these retail permits, the vessel must have a regular place of mooring located in any Wisconsin waters (as defined under secs. [29.001\(45\)](#) and [\(63\)](#), Wis. Stats). The following conditions must also be met (sec. [125.27\(2\)](#), Wis. Stats):

- The vessel serves food and has an approved passenger capacity of **not less than 40** individuals, and the sale of alcohol beverages on the vessel accounts for less than 50 percent of the gross receipts of all food and beverages served on the vessel.
- The vessel has an approved passenger capacity of **at least 100** individuals, and the sale of alcohol beverages accounts for less than 50 percent of the gross receipts of the vessel.
- The vessel leaves its place of mooring while the sale of alcohol beverages is taking place.
- Applicant must provide proof that the vessel is certified by the U.S. Coast Guard, classed by the American bureau of shipping, or covered by liability insurance.

The permit also authorizes the permittee to store alcohol beverages purchased for sale on the vessel on premises owned or leased by the permittee and located near the vessel's regular place of mooring.

Dude, Where's My Bar?

As alcohol beverage retailers continue to innovate, you may see alcohol beverages being served and consumed at businesses such as bars in grocery stores, movie theaters or painting studios.

While these may be desirable locations to consume alcohol beverages, not every business qualifies for a license to allow consumption of alcohol beverages on the premises. State law (sec. [125.32\(3m\)](#) Wis Stats.) prohibits a Class "B" beer license from being issued to a premises where any other business, besides that of the service and sale of alcohol beverages, occurs unless the business is one of the exceptions below:

- Hotels
- Restaurants
- Combination grocery store and taverns
- Combination sporting goods store and taverns in towns, villages, and 4th class cities
- Combination novelty store and taverns
- Bowling centers or recreation premises
- Clubs, societies, or lodges
- Movie theaters
- Painting studios
- Beer walk participants
- Racetracks holding a Class "B" permit

For example, "gas stations" or "convenience stores" are not one of the business types listed above, so they cannot hold a Class "B" license. These businesses may hold a Class "A" license to sell beer that will be consumed off the premises. Applicants and municipalities should verify each business seeking a Class "B" license qualifies under one of the exceptions prior to granting or issuing any license.

Consumer Q&A

Q: Can I bring alcohol beverages into Wisconsin from another state or another country?

A: No, state law does not allow individuals to bring any alcohol beverages into Wisconsin, unless one of the exceptions below applies (sec. [139.03\(5\)](#), Wis. Stats.).

- Individuals who change their domicile and move into Wisconsin from another state or foreign country may bring intoxicating liquor into Wisconsin without a permit from DOR, provided the intoxicating liquor is part of their household goods.
- Individuals who have been in a foreign country for at least 48 hours may bring into Wisconsin no more than four liters of intoxicating liquor in sealed original containers. It must be in that individual's immediate possession and cannot be sent, shipped, or carried into Wisconsin in some other manner.
- An active-duty member of the military who has been out of the country for duty or training for at least 48 hours may bring into Wisconsin no more than 16 liters of intoxicating liquor in sealed original containers. It must be in that individual's immediate possession and cannot be sent, shipped or carried into Wisconsin in some other manner.

Q: If I qualify for one of the exceptions above, do I need to pay any excise taxes?

A: No, excise taxes are not owed for intoxicating liquor shipped under one of the exceptions here.

Note: An individual may receive up to 108 liters of wine in a calendar year when shipped directly from a Wisconsin permitted direct wine shipper. The wine must be for personal consumption only and cannot be resold. See the [Wisconsin Liquor Permit Listing](#) for a list of direct wine shipper permittees.

Applicable Laws and Rules

This document provides statements or interpretations of Wisconsin statutes and administrative rules enacted as of May 17, 2022. Laws enacted and in effect after this date, new administrative rules, and court decisions may change the interpretations in this document. Guidance issued prior to this date that is contrary to the information in this document is superseded by this document, according to sec. 73.16(2)(a), Wis. Stats.