

# Table of Contents

---

## CHAPTER 1

### INTRODUCTION TO ALCOHOL BEVERAGES REGULATION

#### I. Scope of Chapter [§ 1.1]

#### II. Introduction [§ 1.2]

- A. In General [§ 1.3]
- B. Industry Participants and Regulatory Layers [§ 1.4]
- C. Beer vs. Intoxicating Liquor [§ 1.5]
- D. The Three-Tier System [§ 1.6]
- E. An Overview of Regulatory Authority [§ 1.7]
  - 1. State Regulation [§ 1.8]
  - 2. Federal Regulation [§ 1.9]
- F. Internet Resources [§ 1.10]

#### III. Important Terminology [§ 1.11]

- A. Introduction and Abbreviations [§ 1.12]
- B. State Law [§ 1.13]
  - 1. Defined Terms [§ 1.14]
  - 2. Identifying Retailers [§ 1.15]
- C. Federal Law [§ 1.16]

#### IV. A Brief History of Alcohol Beverages Regulation [§ 1.17]

#### V. Types of Alcohol Beverages and Their Methods of Production [§ 1.18]

- A. Introduction [§ 1.19]
- B. Fermented Malt Beverages [§ 1.20]
  - 1. What They Are [§ 1.21]
  - 2. How They Are Made [§ 1.22]
- C. Wine [§ 1.23]
  - 1. What It Is [§ 1.24]
  - 2. How It Is Made [§ 1.25]
- D. Distilled Spirits [§ 1.26]
  - 1. What They Are [§ 1.27]
  - 2. How They Are Made [§ 1.28]
    - a. The Distillation Process [§ 1.29]

- b. Neutral Spirits [§ 1.30]
- c. Whisky [§ 1.31]
- d. Gin [§ 1.32]
- e. Brandy [§ 1.33]
- f. Rum [§ 1.34]
- g. Vodka [§ 1.35]
- h. Tequila [§ 1.36]
- i. Liqueur [§ 1.37]

**VI. Nonbeverage Uses of Alcohol [§ 1.38]**

- A. Introduction [§ 1.39]
- B. State Law [§ 1.40]
  - 1. Exceptions to Alcohol Beverage Regulation for Nonbeverage Alcohol [§ 1.41]
  - 2. DAB Permits for Nonbeverage Use or Sale of Alcohol [§ 1.42]
- C. Federal Law [§ 1.43]
  - 1. Introduction [§ 1.44]
  - 2. Alcohol for Industrial Use [§ 1.45]
  - 3. Alcohol for Fuel Use [§ 1.46]
  - 4. Vinegar Plants [§ 1.47]
  - 5. Volatile Fruit-Flavor Concentrate Plants [§ 1.48]

**VII. Noncommercial Activities [§ 1.49]**

- A. Homebrewing and Home Winemaking [§ 1.50]
- B. Carrying Alcohol Beverages into Wisconsin from Another State or a Foreign Country [§ 1.51]

**VIII. Miscellaneous Regulations of the Public [§ 1.52]**

- A. Introduction [§ 1.53]
- B. Duty Not to Allow Consumption of Alcohol in Public Places [§ 1.54]
- C. Possession of Alcohol Beverages on School Grounds [§ 1.55]
- D. Alcohol Consumption or Possession at Sporting Events [§ 1.56]
- E. Open Containers in Public Places [§ 1.57]
- F. Open Containers in Motor Vehicles [§ 1.58]
- G. Drinking in Common Carriers [§ 1.59]
- H. Restrictions on Customers of Retailers [§ 1.60]
  - 1. Ordinance Violations [§ 1.61]
  - 2. Handguns on Retail Premises [§ 1.62]

**IX. Antitrust and Trademark Issues [§ 1.63]**

**X. Appendix 1A: Resources and Guidance [§ 1.64]**

- A. TTB Resources and Guidance [§ 1.65]
- B. DOR and DAB Resources and Guidance [§ 1.66]
- C. Municipal Ordinances [§ 1.67]

**CHAPTER 2**

**AUTHORITY TO REGULATE ALCOHOL BEVERAGES**

**I. Scope of Chapter [§ 2.1]**

**II. State Authority to Regulate Alcohol Beverages [§ 2.2]**

- A. State's Police Power [§ 2.3]
- B. Twenty-First Amendment [§ 2.4]
  - 1. Introduction [§ 2.5]
  - 2. Text and History of the 21st Amendment [§ 2.6]
    - a. Text of the 21st Amendment [§ 2.7]
    - b. The Federal Commerce Clause [§ 2.8]
    - c. Legal Issues Before Prohibition [§ 2.9]
    - d. The 21st Amendment Is Construed in Light of Its History [§ 2.10]
  - 3. The Foundational Case of *Young's Market* [§ 2.11]
  - 4. Modern Cases Interpreting the 21st Amendment in Conjunction with Other Constitutional Provisions [§ 2.12]
    - a. Introduction [§ 2.13]
    - b. Equal Protection and Due Process Clauses [§ 2.14]
    - c. First Amendment [§ 2.15]
    - d. Export-Import Clause [§ 2.16]
    - e. Supremacy Clause [§ 2.17]
    - f. Commerce Clause [§ 2.18]

**III. Municipal Authority to Regulate Alcohol Beverages [§ 2.19]**

- A. Municipality's Police Power and Home-Rule Authority [§ 2.20]
  - 1. Constitutional and Statutory Basis [§ 2.21]
  - 2. General Police Power Versus Specific Authority [§ 2.22]

- B. Determining Whether an Ordinance Exceeds a Municipality’s Authority [§ 2.23]
  - 1. Ordinances That “Go Further” Than a Statute [§ 2.24]
  - 2. Ordinances Interpreting or Supplying Details of Statutes [§ 2.25]
  - 3. Ordinance Similar or Identical to Repealed or Modified Statute [§ 2.26]
  - 4. Ordinance Penalties and Incorporation of Statutes [§ 2.27]
- C. Other Limits on a Municipality’s Authority [§ 2.28]
  - 1. Introduction [§ 2.29]
  - 2. The Equal Protection and Due Process Clauses [§ 2.30]
  - 3. The First Amendment [§ 2.31]
  - 4. Unreasonable or Irrational Exercise of the Police Power [§ 2.32]
  - 5. Municipal Stores [§ 2.33]
  - 6. Other Statutory Limits [§ 2.34]

#### **IV. DAB Rulemaking [§ 2.35]**

#### **V. Federal Authority to Regulate Alcohol Beverages [§ 2.36]**

- A. Federal Commerce Clause [§ 2.37]
- B. Federal Preemption [§ 2.38]

#### **VI. Appendix 2A: Resources and Guidance [§ 2.39]**

- A. TTB Resources and Guidance [§ 2.40]
- B. DOR and DAB Resources and Guidance [§ 2.41]
- C. Municipal Ordinances [§ 2.42]

### **CHAPTER 3 RETAILERS**

#### **I. Scope of Chapter [§ 3.1]**

#### **II. Retail Licenses in General [§ 3.2]**

- A. Requirement to Be Licensed [§ 3.3]
  - 1. In General [§ 3.4]
  - 2. Indirect Sales and Sales by Social Hosts [§ 3.5]
  - 3. Liability of Licensee [§ 3.6]

- B. Types of Retail Licenses [§ 3.7]
  - 1. Introduction [§ 3.8]
  - 2. Class “A” [§ 3.9]
  - 3. Class “B” [§ 3.10]
  - 4. “Class A” [§ 3.11]
  - 5. “Class B” [§ 3.12]
  - 6. “Class C” [§ 3.13]
- C. Additional Guidelines Related to Retail License Authorization [§ 3.14]
  - 1. Licensed Location [§ 3.15]
  - 2. Face-to-Face Retail Sales and Delivery of Retail Purchases [§ 3.16]
  - 3. Nonalcoholic Beverages [§ 3.17]

### **III. Issuance of Retail Licenses [§ 3.18]**

- A. Issuing Jurisdiction [§ 3.19]
- B. Qualifications for Retail License [§ 3.20]
  - 1. Individuals [§ 3.21]
    - a. In General [§ 3.22]
    - b. Criminal Record [§ 3.23]
    - c. Responsible-Beverage-Server Training Course [§ 3.24]
    - d. Temporary Retail Licenses [§ 3.25]
  - 2. Corporations and LLCs [§ 3.26]
    - a. In General [§ 3.27]
    - b. Appointment of Agent [§ 3.28]
    - c. Temporary Retail Licenses [§ 3.29]
  - 3. Partnerships [§ 3.30]
- C. Issuance to “Straw Man” Prohibited [§ 3.31]
- D. “Class B” License Quotas [§ 3.32]
- E. Interest Restrictions [§ 3.33]
  - 1. In General [§ 3.34]
  - 2. Class “A” Licenses [§ 3.35]
  - 3. Class “B” Licenses [§ 3.36]
  - 4. “Class A” Licenses [§ 3.37]
  - 5. “Class B” Licenses [§ 3.38]
  - 6. “Class C” Licenses [§ 3.39]
  - 7. Expressly Permitted Interests [§ 3.40]
- F. Restaurant Sanitation Requirements [§ 3.41]
- G. Use of Premises for Other Business [§ 3.42]
- H. Premises Near School, Hospital, or Church [§ 3.43]
- I. Applicant Indebted to Wholesaler [§ 3.44]

- J. Ordinance Requirements [§ 3.45]
  - 1. In General [§ 3.46]
  - 2. Madison [§ 3.47]
  - 3. Milwaukee [§ 3.48]
  - 4. Green Bay [§ 3.49]

#### **IV. Procedure for Issuing Retail Licenses [§ 3.50]**

- A. Application [§ 3.51]
- B. Review of Application [§ 3.52]
  - 1. In General [§ 3.53]
  - 2. Municipal Review Procedure Established by Ordinance [§ 3.54]
    - a. Introduction [§ 3.55]
    - b. Madison [§ 3.56]
    - c. Milwaukee [§ 3.57]
    - d. Green Bay [§ 3.58]
- C. Discretion in Issuing [§ 3.59]
- D. License Conditions and Restrictions [§ 3.60]
- E. Fees and License Period [§ 3.61]
- F. Provisional Retail Licenses [§ 3.62]

#### **V. Special Licensing Situations Involving Retailers [§ 3.63]**

- A. Hotels [§ 3.64]
- B. Coliseum Suites [§ 3.65]
- C. Caterers [§ 3.66]
  - 1. In General; DOR Guidelines [§ 3.67]
  - 2. Limited Statutory Authorization [§ 3.68]
  - 3. Regulation by Ordinance [§ 3.69]
- D. Temporary Retail Licenses [§ 3.70]
- E. Seasonal Retail Licenses [§ 3.71]
- F. Wineries [§ 3.72]
- G. Breweries, Brewery Outlets, Beer Wholesalers, and Manufacturing or Rectifying Premises [§ 3.73]
- H. Campuses and Other State Property [§ 3.74]
- I. Retail Permits [§ 3.75]
  - 1. In General [§ 3.76]
  - 2. Sports Clubs [§ 3.77]
  - 3. Vessels [§ 3.78]
  - 4. Concessionaires at Airports and Other Publicly Owned Facilities [§ 3.79]
  - 5. Certain Native American Tribes [§ 3.80]
  - 6. Motor Vehicle Racetrack Grounds [§ 3.81]
  - 7. State Fair Park [§ 3.82]

J.	Tribal Lands [§ 3.83]
K.	Federal Lands [§ 3.84]
L.	Retail License Exceptions [§ 3.85]
1.	Introduction [§ 3.86]
2.	Judicial Sales and Other Creditor Sales [§ 3.87]
3.	Charity Auctions and Raffle Prizes [§ 3.88]
4.	Wine Collectors [§ 3.89]
5.	Wine at Bed-and-Breakfast Establishments [§ 3.90]
6.	Brewery Taste Samples [§ 3.91]
7.	Sales by County or Municipality in Park [§ 3.92]
<b>VI.</b>	<b>The Quota System for “Class B” Retail Licenses [§ 3.93]</b>
A.	The Quota System in General [§ 3.94]
B.	Quota Exceptions [§ 3.95]
<b>VII.</b>	<b>Transfers of Retail Licenses [§ 3.96]</b>
A.	In General [§ 3.97]
B.	Transfers to a New Location [§ 3.98]
C.	Transfers to a New Owner [§ 3.99]
<b>VIII.</b>	<b>Bartenders, Store Clerks, and Bar Managers [§ 3.100]</b>
A.	Issuance of Operator’s Licenses and Permits [§ 3.101]
1.	In General [§ 3.102]
2.	Provisional Operator’s Licenses [§ 3.103]
3.	Temporary Operator’s Licenses [§ 3.104]
B.	Issuance of Manager’s Licenses [§ 3.105]
C.	Limited Requirement to Hold Operator’s License or Permit [§ 3.106]
D.	Limited Requirement to Hold Manager’s License [§ 3.107]
<b>IX.</b>	<b>Retailer Operating Requirements and Restrictions [§ 3.108]</b>
A.	Closing Hours [§ 3.109]
1.	Taverns, Bars, and Restaurants [§ 3.110]
2.	Package Stores [§ 3.111]
a.	Beer [§ 3.112]
b.	Wine and Distilled Spirits [§ 3.113]
3.	Municipal Variations [§ 3.114]
B.	Persons Supervising or Operating Retail Premises [§ 3.115]
1.	Presence and Supervision by Retail Licensee or Licensed Bartender, Store Clerk, or Bar Manager [§ 3.116]

- 2. Consumption of Alcohol by Bartenders [§ 3.117]
- 3. Soliciting Drinks [§ 3.118]
- 4. Premixing Cocktails and Alcohol Infusions [§ 3.119]
- C. Providing Alcohol to Intoxicated Persons [§ 3.120]
- D. Retailer Transactions with Wholesalers [§ 3.121]
  - 1. Purchases from Wholesalers [§ 3.122]
  - 2. Consignment Sales and Extensions of Credit [§ 3.123]
  - 3. Exclusive Sales and Conditional Sales to Beer Retailers [§ 3.124]
- E. Retailer Storage and Transportation [§ 3.125]
  - 1. Storage [§ 3.126]
  - 2. Receiving Deliveries [§ 3.127]
  - 3. Transporting Beer [§ 3.128]
- F. Activities in Retailer's Licensed Name and Under License [§ 3.129]
- G. Carry-Ins [§ 3.130]
- H. Operating Another Business on Class "B" Licensed Premises [§ 3.131]
- I. Beverage Labeling, Containers, and Adulteration [§ 3.132]
- J. Posting of Retail License, Firearms Restrictions, and Other Information [§ 3.133]
- K. Receiving Things of Value; "Tied-House" Laws [§ 3.134]
- L. Smoking [§ 3.135]
- M. Video Gambling [§ 3.136]
- N. Minimum Markup Law [§ 3.137]
- O. Requirements Imposed by Ordinance [§ 3.138]
  - 1. Introduction [§ 3.139]
  - 2. Physical Premises [§ 3.140]
  - 3. Retail Premises to Be Accessible and Orderly [§ 3.141]
  - 4. Advertising and Use of Barkers [§ 3.142]
- P. Entertainment [§ 3.143]
  - 1. General Entertainment [§ 3.144]
    - a. Introduction [§ 3.145]
    - b. Madison [§ 3.146]
    - c. Milwaukee [§ 3.147]
  - 2. Adult Entertainment [§ 3.148]
    - a. Madison [§ 3.149]



- b. Milwaukee [§ 3.150]
    - c. Limitations on Regulation Under the First Amendment [§ 3.151]
  - Q. Prohibited Contracts [§ 3.152]

**X. Duties of the DAB Relating to Retail Licenses [§ 3.153]**

**XI. Restrictions Related to Underage Drinking [§ 3.154]**

- A. National Minimum Drinking Age Law [§ 3.155]
- B. Providing Alcohol to Underage Persons [§ 3.156]
  - 1. Offenses [§ 3.157]
  - 2. Penalties [§ 3.158]
    - a. Introduction [§ 3.159]
    - b. Persons Who Are Not Retail Licensees [§ 3.160]
    - c. Retail Licensees [§ 3.161]
    - d. Special Provisions if Underage Person Suffers Injury or Death [§ 3.162]
  - 3. Defenses [§ 3.163]
    - a. Circumstances Offered in Defense [§ 3.164]
    - b. Retailer's Age Verification Book [§ 3.165]
  - 4. Identification Showing Proof of Age [§ 3.166]
- C. Possession and Consumption of Alcohol by Underage Persons [§ 3.167]
  - 1. Offenses [§ 3.168]
  - 2. Penalties [§ 3.169]
- D. Presence of Underage Persons on Licensed Premises [§ 3.170]
  - 1. General Restrictions and Exceptions [§ 3.171]
  - 2. Municipal Implementation of Exceptions [§ 3.172]
  - 3. Employment of Minors [§ 3.173]
- E. False Identification [§ 3.174]
- F. Special Locations [§ 3.175]
  - 1. Intoxicants In Vehicles [§ 3.176]
  - 2. Lodging Establishments [§ 3.177]
  - 3. Schools [§ 3.178]
- G. Citation Procedure and Evidentiary and Administrative Issues [§ 3.179]
  - 1. Citation Procedure for Certain Violations [§ 3.180]
  - 2. Evidence of Alcohol Consumption Taken by Public Schools [§ 3.181]
  - 3. Evidence Derived from Cigarette Stings [§ 3.182]
  - 4. Teacher Licensing Issues [§ 3.183]

## **XII. Immunity from Civil Liability [§ 3.184]**

- A. Immunity from Lawsuits for Providing Alcohol [§ 3.185]
  - 1. Introduction [§ 3.186]
  - 2. Immunity Under the Common Law for Providing Alcohol to Another [§ 3.187]
  - 3. Statutory Immunity for Providing Alcohol to Another [§ 3.188]
    - a. In General [§ 3.189]
    - b. Providing or Procuring Alcohol [§ 3.190]
    - c. Violation of Underage Person Law [§ 3.191]
    - d. Determining Who Is a Third Party [§ 3.192]
- B. Civil Liability for Acts Other than Providing Alcohol to Another [§ 3.193]
  - 1. Introduction [§ 3.194]
  - 2. Artful Pleading to Avoid the General Immunity of Wis. Stat. § 125.035 [§ 3.195]
  - 3. Joint and Several Liability [§ 3.196]
  - 4. Social Host Liability for Failing to Monitor and Supervise Property [§ 3.197]
  - 5. Retailer Liability for Failing to Provide Safe Premises [§ 3.198]
  - 6. Liability of Designated Driver [§ 3.199]
- C. Immunity of Licensees for Retaining Proof of Age [§ 3.200]
- D. Immunity of Municipalities from Lawsuits Relating to Alcohol [§ 3.201]

## **XIII. State Recordkeeping Requirements and Federal Registration and Recordkeeping Requirements for Retailers [§ 3.202]**

- A. State Recordkeeping Requirements [§ 3.203]
  - 1. Required Records [§ 3.204]
  - 2. Records Related to Retailer's Transfer of Inventory [§ 3.205]
- B. Federal Registration of Retailers [§ 3.206]
- C. Federal Recordkeeping Requirements for Retailers [§ 3.207]

## **XIV. Appendix 3A: Resources and Guidance [§ 3.208]**

- A. TTB Resources and Guidance [§ 3.209]
- B. DOR and DAB Resources and Guidance [§ 3.210]
- C. Municipal Ordinances [§ 3.211]

**CHAPTER 4**  
**WHOLESALERS, OUT-OF-STATE SHIPPERS, AND IMPORTERS**

**I. Scope of Chapter [§ 4.1]**

**II. In General [§ 4.2]**

- A. Requirement to Hold a Permit [§ 4.3]
- B. Retailers Generally Must Purchase from Wholesalers [§ 4.4]
- C. Out-of-State Producers Generally Must Ship to Wholesalers [§ 4.5]
  - 1. Beer [§ 4.6]
  - 2. Intoxicating Liquor [§ 4.7]

**III. Beer Wholesalers [§ 4.8]**

- A. Issuance of Beer Wholesalers' Permits [§ 4.9]
  - 1. In General [§ 4.10]
  - 2. Qualifications [§ 4.11]
  - 3. Issuance to "Straw Man" Prohibited [§ 4.12]
  - 4. Interest Restrictions [§ 4.13]
  - 5. Procedure for Permit Application and Issuance [§ 4.14]
- B. Federal Basic Permit and Registration [§ 4.15]
- C. Authorized Activities [§ 4.16]
- D. Wholesaler's Premises [§ 4.17]
- E. Permit Transfers [§ 4.18]
  - 1. In General [§ 4.19]
  - 2. Transfers to a New Location [§ 4.20]
  - 3. Transfers to Another Person [§ 4.21]
- F. Operational Requirements [§ 4.22]
  - 1. Source of Supply, Distribution Agreements, and Exclusive Sales Territories [§ 4.23]
  - 2. Delivery to Retailers [§ 4.24]
  - 3. Pricing [§ 4.25]
    - a. Sales in Similar Quantities [§ 4.26]
    - b. Minimum Markup Law [§ 4.27]
  - 4. Credit Restrictions [§ 4.28]
  - 5. Exclusive Sales by Wholesalers to Certain Retailers [§ 4.29]
  - 6. Tied-House Laws [§ 4.30]
    - a. Purpose of the Tied-House Laws [§ 4.31]
    - b. The Current Tied-House Statute [§ 4.32]

- c. Legislative Changes to the Tied-House Laws [§ 4.33]
  - d. Interpretation of the Tied-House Laws [§ 4.34]
- 7. Federal Labeling Requirements for Wholesalers [§ 4.35]
- G. Recordkeeping and Reporting Requirements [§ 4.36]
  - 1. State Requirements [§ 4.37]
  - 2. Federal Requirements [§ 4.38]

#### **IV. Intoxicating Liquor Wholesalers [§ 4.39]**

- A. Issuance of Liquor Wholesalers' Permits [§ 4.40]
  - 1. Application and Qualifications [§ 4.41]
  - 2. Interest Restrictions [§ 4.42]
- B. Federal Basic Permit [§ 4.43]
- C. Authorized Activities [§ 4.44]
- D. Wholesaler's Premises [§ 4.45]
- E. Permit Transfers [§ 4.46]
  - 1. Transfers to a New Location [§ 4.47]
  - 2. Transfers to Another Person [§ 4.48]
- F. Operational Requirements [§ 4.49]
  - 1. Sales Area [§ 4.50]
  - 2. Unloading at Warehouse [§ 4.51]
  - 3. Minimum Number of Customers [§ 4.52]
  - 4. Source of Supply [§ 4.53]
  - 5. Pricing [§ 4.54]
    - a. Sales in Similar Quantities [§ 4.55]
    - b. Minimum Markup Law [§ 4.56]
  - 6. Credit Restrictions [§ 4.57]
  - 7. Closing Hours [§ 4.58]
  - 8. Good-Faith Duty [§ 4.59]
  - 9. Trade-Show Taste Samples [§ 4.60]
  - 10. Sacramental Wine [§ 4.61]
  - 11. Tied-House Laws [§ 4.62]
  - 12. Sealed Containers and Refilling or Adulterating Liquor Bottles [§ 4.63]
  - 13. Labeling Requirements for Liquor Wholesalers [§ 4.64]
  - 14. Selling Distilled Spirits in Bulk [§ 4.65]
- G. Dealership Rights [§ 4.66]
- H. Liquor Wholesaler Salesperson Permits [§ 4.67]
- I. Small Cooperative Wholesalers [§ 4.68]
- J. Recordkeeping and Reporting Requirements [§ 4.69]
  - 1. State Requirements [§ 4.70]
  - 2. Federal Requirements [§ 4.71]

**V. Alcohol Beverage Warehouse Permits [§ 4.72]**

**VI. Out-of-State Shippers [§ 4.73]**

- A. In General [§ 4.74]
- B. Out-of-State Beer Shippers [§ 4.75]
- C. Out-of-State Intoxicating Liquor Shippers [§ 4.76]
- D. Records and Reports of Out-of-State Shippers [§ 4.77]

**VII. Importers [§ 4.78]**

- A. In General [§ 4.79]
- B. Federal Basic Permits [§ 4.80]
- C. Labeling Requirements for Imported Alcohol Beverages [§ 4.81]
  - 1. In General [§ 4.82]
  - 2. Beer [§ 4.83]
  - 3. Wine [§ 4.84]
  - 4. Distilled Spirits [§ 4.85]
  - 5. Exemptions [§ 4.86]
- D. Certification of Cellar Treatment for Imported Wine [§ 4.87]
- E. Certification of Origin and Age of Imported Distilled Spirits and Wine [§ 4.88]
- F. Importing Distilled Spirits, Wine, or Beer in Bulk [§ 4.89]
- G. Requirements for Distilled Spirits Containers [§ 4.90]
  - 1. Closures on Sealed Containers [§ 4.91]
  - 2. Standards for Bottles [§ 4.92]
- H. Customs Warehouses [§ 4.93]
- I. Permission for Importer to Use Alternate Methods or Procedures [§ 4.94]
- J. Importers' Records and Reports [§ 4.95]
- K. Distilled Spirits Received from Puerto Rico and the U.S. Virgin Islands [§ 4.96]
  - 1. In General [§ 4.97]
  - 2. Alcohol Beverages from Puerto Rico [§ 4.98]
  - 3. Alcohol Beverages from the U.S. Virgin Islands [§ 4.99]
  - 4. Distilled Spirits Received in Bulk from Puerto Rico or the U.S. Virgin Islands [§ 4.100]
  - 5. Requirements for Liquor Bottles and Standards of Fill [§ 4.101]
  - 6. Excise Taxes on Alcohol Beverages Received from Puerto Rico or the U.S. Virgin Islands [§ 4.102]

7. Alternate Methods or Procedures for Alcohol Beverages Received from Puerto Rico or the U.S. Virgin Islands [§ 4.103]

## **VIII. Appendix 4A: Resources and Guidance [§ 4.104]**

- A. TTB Resources and Guidance [§ 4.105]
- B. DOR & DAB Resources and Guidance [§ 4.106]

## **CHAPTER 5 BREWERS**

### **I. Scope of Chapter [§ 5.1]**

### **II. Regulation of Brewers and Brewpubs Under State Law [§ 5.2]**

- A. In General [§ 5.3]
- B. Brewers [§ 5.4]
  1. Brewer's Permit [§ 5.5]
    - a. Permit Application and Qualifications [§ 5.6]
    - b. Interest Restrictions [§ 5.7]
  2. Authorized Activities [§ 5.8]
    - a. Production, Transportation, and Storage [§ 5.9]
    - b. Sales Activities [§ 5.10]
    - c. Contract Brewing and Similar Arrangements [§ 5.11]
  3. Restrictions on Activities [§ 5.12]
    - a. Tied-House Laws [§ 5.13]
    - b. Exclusive Contracts for Sales to Retailers [§ 5.14]
    - c. Distribution Agreements with Wholesalers and Exclusive Sales Territories [§ 5.15]
  4. Records and Reports [§ 5.16]
- C. Brewpubs [§ 5.17]
  1. Brewpub Permit [§ 5.18]
    - a. Permit Application and Qualifications [§ 5.19]
    - b. Eligibility for Brewpub Permit [§ 5.20]
    - c. Interest Restrictions [§ 5.21]
  2. Authorized Activities [§ 5.22]
    - a. Production, Transportation, and Storage [§ 5.23]
    - b. Sales Activities [§ 5.24]

3. Restrictions on Activities [§ 5.25]
  - a. Tied-House Laws [§ 5.26]
  - b. Exclusive Contracts for Sales to Retailers [§ 5.27]
  - c. Distribution Agreements with Wholesalers and Exclusive Sales Territories [§ 5.28]
4. Records and Reports [§ 5.29]

### **III. Regulation of Brewers and Related Operations Under Federal Law [§ 5.30]**

- A. In General [§ 5.31]
- B. Authorization to Operate a Brewery [§ 5.32]
  1. Notice of Registration of a Brewery [§ 5.33]
  2. Requirements for Brewer's Bond [§ 5.34]
  3. Basic Permit [§ 5.35]
  4. Authorized Activities on Brewery Premises [§ 5.36]
  5. Homebrewers [§ 5.37]
- C. Requirements for Brewery Premises and Facilities [§ 5.38]
  1. Brewery Premises [§ 5.39]
  2. Buildings, Tanks, and Equipment [§ 5.40]
  3. Alternation of Brewery and Winery Premises [§ 5.41]
- D. Beer and Other Malt Beverages Production [§ 5.42]
  1. Standards for the Production of Beer [§ 5.43]
    - a. In General [§ 5.44]
    - b. Flavored Malt Beverages [§ 5.45]
    - c. Beer Formula Approval [§ 5.46]
  2. Producing Beer Concentrate and Reconstituting Beer [§ 5.47]
  3. Producing Low-Alcohol or No-Alcohol Beer (Cereal Beverages) or Kombucha [§ 5.48]
  4. Variances - Use of Alternate Methods or Procedures [§ 5.49]
- E. Gauging Beer Before Bottling [§ 5.50]
- F. Tavern Operations on Brewery Premises [§ 5.51]
- G. Storage of Beer [§ 5.52]
- H. Removal of Beer from Brewery Premises, Return or Transfer of Beer to Brewery, and Destruction of Beer [§ 5.53]
  1. In General [§ 5.54]

- 2. Removal in Proper Containers [§ 5.55]
- 3. Removal from Brewery on Tax Determination or Tax Payment [§ 5.56]
- 4. Removal of Beer from Brewery Without Payment of Tax [§ 5.57]
  - a. In General [§ 5.58]
  - b. Transfer of Beer to Another Brewery [§ 5.59]
  - c. Removal of Sour or Damaged Beer or Beer Rendered Unfit for Beverage Use [§ 5.60]
  - d. Removal for Analysis, Research, Development, or Testing [§ 5.61]
  - e. Removal of Beer to a Contiguous Distilled Spirits Plant [§ 5.62]
  - f. Removal for Exportation or Export-Related Purposes [§ 5.63]
  - g. Removal for Personal or Family Use [§ 5.64]
- 5. Return of Beer to Brewery [§ 5.65]
- 6. Transfer of Beer from Customs Custody [§ 5.66]
- 7. Voluntary Destruction of Beer [§ 5.67]
- 8. Removal of Yeast and Other Brewing Materials from Brewery Premises [§ 5.68]
- 9. Purchase of Finished Beer from Another Brewer [§ 5.69]
- I. Pilot Brewing Plants [§ 5.70]
- J. Recordkeeping and Reports [§ 5.71]
  - 1. In General [§ 5.72]
  - 2. Specific Records [§ 5.73]
    - a. Introduction [§ 5.74]
    - b. Daily Records of Operations and Daily Summaries [§ 5.75]
    - c. Inventory Records [§ 5.76]
    - d. Record of Ballings and Alcohol Content [§ 5.77]
  - 3. Report of Operations [§ 5.78]

#### **IV. Labeling and Marking Malt Beverage Containers [§ 5.79]**

- A. Overview for Malt Beverages Sold at Retail [§ 5.80]
  - 1. Introduction [§ 5.81]
  - 2. Requirements in General [§ 5.82]
- B. Certificates of Label Approval [§ 5.83]



C.	Label Information [§ 5.84]
1.	General Requirements [§ 5.85]
2.	Brand Name [§ 5.86]
3.	Class, Type, or Other Designation [§ 5.87]
a.	In General [§ 5.88]
b.	Flavored Malt Beverages [§ 5.89]
c.	Special Circumstances for Designation of Class and Type [§ 5.90]
d.	Designation by Names of Geographic Significance [§ 5.91]
e.	Cereal Beverages and “Near Beer” [§ 5.92]
4.	Name and Address [§ 5.93]
5.	Net Contents [§ 5.94]
6.	Alcohol Content [§ 5.95]
7.	Health Warning Label [§ 5.96]
a.	Purpose of the Alcohol Beverage Labeling Act of 1988 and Federal Preemption [§ 5.97]
b.	Health Warning Statement [§ 5.98]
8.	Caloric and Carbohydrate Representations [§ 5.99]
9.	Other Mandatory Health-Related Disclosures [§ 5.100]
10.	Voluntary Food Allergens Label [§ 5.101]
11.	Voluntary Organic Label [§ 5.102]
12.	Other Voluntary Information [§ 5.103]
D.	Label Legibility and Standards for the Appearance of Label Information [§ 5.104]
E.	Marking Kegs, Barrels, and Cases of Malt Beverages [§ 5.105]
1.	Kegs and Barrels [§ 5.106]
2.	Cases and Other Shipping Containers [§ 5.107]
F.	Prohibited Label Information and Labeling Practices [§ 5.108]
1.	False, Misleading, or Potentially Misleading Label Information [§ 5.109]
2.	Container Packaging [§ 5.110]
3.	Improper Labeling [§ 5.111]
4.	Label Alterations and Relabeling [§ 5.112]
V.	<b>Exporters [§ 5.113]</b>
A.	In General [§ 5.114]
B.	Tax Exemption for Exported or Export-Related Beer [§ 5.115]

- C. Procedures and Requirements Related to Exported or Export-Related Beer [§ 5.116]
  - 1. Bond [§ 5.117]
  - 2. Notice of Withdrawal [§ 5.118]
  - 3. Labels and Containers [§ 5.119]
  - 4. Consigning Beer for Export or for Export-Related Purposes [§ 5.120]
  - 5. Proceedings at Ports of Export and Other Export-Related Locations [§ 5.121]
  - 6. Proof of Export or Export-Related Use [§ 5.122]
  - 7. Reports and Records [§ 5.123]
- D. Special Procedures for Changed Plans or Unanticipated Events [§ 5.124]
  - 1. Exportation of Beer with Benefit of Tax Drawback [§ 5.125]
  - 2. Return of Beer to Brewery [§ 5.126]
  - 3. Losses in Transit [§ 5.127]
- E. Alternate Methods or Procedures and Emergency Variations [§ 5.128]

**VI. Appendix 5A: Resources and Guidance [§ 5.129]**

- A. TTB Resources and Guidance [§ 5.130]
- B. DOR and DAB Resources and Guidance [§ 5.131]
- C. Municipal Ordinances [§ 5.132]

**CHAPTER 6  
WINERIES**

**I. Scope of Chapter [§ 6.1]**

**II. Regulation of Wineries Under State Law [§ 6.2]**

- A. In General [§ 6.3]
- B. Winery Permit [§ 6.4]
  - 1. Permit Application and Qualifications [§ 6.5]
  - 2. Interest Restrictions [§ 6.6]
- C. Authorized Activities [§ 6.7]
  - 1. Production, Storage, and Wholesale Sales [§ 6.8]
  - 2. Retail Sales [§ 6.9]
- D. Records and Reports [§ 6.10]
- E. Direct-to-Consumer Wine Shipping [§ 6.11]
  - 1. Direct Wine Shippers [§ 6.12]

2. Fulfillment Houses [§ 6.13]
3. Common Carriers that Deliver Direct-to-Consumer Shipments [§ 6.14]

### **III. Regulation of Wineries and Related Operations under Federal Law [§ 6.15]**

- A. In General [§ 6.16]
- B. Authorization to Operate Wine Premises [§ 6.17]
  1. In General [§ 6.18]
  2. Types of Operations [§ 6.19]
    - a. Bonded Wine Cellar or Bonded Winery [§ 6.20]
    - b. Taxpaid Wine Bottling House [§ 6.21]
    - c. Taxpaid Wine Premises [§ 6.22]
    - d. Bonded Wine Warehouse [§ 6.23]
  3. Application [§ 6.24]
    - a. Original Applications [§ 6.25]
    - b. Amended Applications, Reapplication, and Notice of Discontinuance [§ 6.26]
  4. Bond Requirements [§ 6.27]
  5. Federal Basic Permit [§ 6.28]
- C. Requirements for Wine Premises and Facilities [§ 6.29]
  1. Wine Premises [§ 6.30]
  2. Buildings, Tanks, and Equipment [§ 6.31]
- D. Wine Production [§ 6.32]
  1. Major Categories of Wine [§ 6.33]
  2. Production of Natural Wine [§ 6.34]
    - a. In General [§ 6.35]
    - b. Production Treatments [§ 6.36]
    - c. Blending [§ 6.37]
  3. Production of Specially Sweetened Natural Wine [§ 6.38]
  4. Production of Effervescent Wine [§ 6.39]
  5. Production of Special Natural Wine [§ 6.40]
  6. Production of Standard Agricultural Wine [§ 6.41]
  7. Nonstandard Wine [§ 6.42]
    - a. In General [§ 6.43]
    - b. High Fermentation Wine [§ 6.44]
    - c. Heavy-Bodied Blending Wine and Spanish-Type Blending Sherry [§ 6.45]
    - d. Other Nonstandard Wine [§ 6.46]

- E. Cellar Treatment and Finishing of Wine [§ 6.47]
  - 1. In General [§ 6.48]
  - 2. Authorized Practices, Procedures, and Materials [§ 6.49]
- F. Additional Issues Related to Wine Production [§ 6.50]
  - 1. Wine Formulas [§ 6.51]
  - 2. Use of Wine Spirits in Wine Production [§ 6.52]
  - 3. Use of Volatile Fruit-Flavor Concentrate in Wine Production [§ 6.53]
  - 4. Alternating Premises or Proprietors [§ 6.54]
  - 5. Segregation of Operations and TTB Supervision [§ 6.55]
  - 6. Taxpaid Wine Operations [§ 6.56]
  - 7. TTB-Approved Use of Alternate Procedures or Forms [§ 6.57]
  - 8. Measuring and Gauging Devices [§ 6.58]
- G. Bottling or Packing Wine [§ 6.59]
  - 1. In General [§ 6.60]
  - 2. Standards of Fill and Alcohol Content Tests [§ 6.61]
- H. Storage and Transportation of Wine and Spirits [§ 6.62]
- I. Removal of Wine from Bonded Wine Premises, Return or Transfer of Wine to Wine Premises, and Destruction of Wine [§ 6.63]
  - 1. In General [§ 6.64]
  - 2. Removal of Wine from Bonded Wine Premises on Tax Determination or Tax Exemption [§ 6.65]
  - 3. Transfers of Wine in Bond [§ 6.66]
  - 4. Return of Wine to Bond [§ 6.67]
  - 5. Voluntary Destruction of Wine in Bond [§ 6.68]
- J. Recordkeeping and Reports [§ 6.69]
  - 1. In General [§ 6.70]
  - 2. Specific Records [§ 6.71]
    - a. Introduction [§ 6.72]
    - b. Materials-Received-and-Used Record [§ 6.73]
    - c. Spirits Record [§ 6.74]
    - d. Sugar Record [§ 6.75]
    - e. Acid Record [§ 6.76]
    - f. Chaptalization and Amelioration Record [§ 6.77]
    - g. Sweetening Record [§ 6.78]

- h. Carbon Dioxide Record [§ 6.79]
- i. Chemical Record [§ 6.80]
- j. Decolorizing Material Record [§ 6.81]
- k. Formula Wine Record [§ 6.82]
- l. Bulk Wine Record [§ 6.83]
- m. Effervescent Wine Record [§ 6.84]
- n. Transfer in Bond Record [§ 6.85]
- o. Bottled or Packed Wine Record [§ 6.86]
- p. Taxpaid Removals from Bond Record [§ 6.87]
- q. Taxpaid Wine Record [§ 6.88]
- r. Wine Returned to Bond Record [§ 6.89]
- s. Inventory Record [§ 6.90]
- t. Label Information Record [§ 6.91]
- u. Other Records [§ 6.92]
- 3. Reports [§ 6.93]

#### **IV. Labeling and Marking Containers of Wine [§ 6.94]**

- A. Overview for Wine Sold at Retail [§ 6.95]
  - 1. Introduction [§ 6.96]
  - 2. Requirements in General [§ 6.97]
- B. Certificates of Label Approval and Exemptions from Label Approval [§ 6.98]
- C. Brand Label [§ 6.99]
  - 1. General Requirements [§ 6.100]
  - 2. Brand Name [§ 6.101]
  - 3. Class, Type, or Other Designation [§ 6.102]
    - a. In General [§ 6.103]
    - b. Class and Type and Standards of Identity [§ 6.104]
    - c. Exceptions to Class Designation [§ 6.105]
    - d. Statements of Composition [§ 6.106]
    - e. Sweetened Wine [§ 6.107]
    - f. Varietal (Grape Type) Label Designations [§ 6.108]
    - g. Label Designations of Varietal Significance [§ 6.109]
    - h. Label Designations by Names of Geographic Significance and Geographic Distinctive Designations [§ 6.110]
  - 4. Alcohol Content [§ 6.111]
- D. Other Labels Containing Product Information [§ 6.112]
  - 1. General Requirements [§ 6.113]

2. Name and Address of Bottler or Producer [§ 6.114]
  - a. Introduction [§ 6.115]
  - b. “Bottled By” or “Packed By” [§ 6.116]
  - c. “Produced,” “Made,” “Cellared,” “Vinted,” or “Blended” [§ 6.117]
  - d. “Bottled For” or “Packed For” [§ 6.118]
  - e. Form of Address [§ 6.119]
  - f. Estate Bottled [§ 6.120]
3. Net Contents [§ 6.121]
- E. Additional Label Information [§ 6.122]
  1. Appellation of Origin [§ 6.123]
    - a. In General [§ 6.124]
    - b. State, Multistate, County, or American Appellation of Origin [§ 6.125]
    - c. Viticultural Area Appellation of Origin [§ 6.126]
    - d. Appellation of Origin Required with Certain Designations [§ 6.127]
    - e. False or Misleading Designations [§ 6.128]
  2. Vintage [§ 6.129]
  3. Estate Bottled Wine [§ 6.130]
  4. Health Warning Label [§ 6.131]
  5. Disclosure of Certain Food Coloring Additives [§ 6.132]
  6. Sulfite Label [§ 6.133]
  7. Voluntary Food Allergens Label [§ 6.134]
  8. Voluntary Organic Label [§ 6.135]
  9. Caloric and Carbohydrate Representations [§ 6.136]
  10. Other Voluntary Information [§ 6.137]
- F. Label Legibility and Standards for the Appearance of Label Information [§ 6.138]
- G. Marking Shipping Cases and Certain Containers [§ 6.139]
- H. Prohibited Label Information and Labeling Practices [§ 6.140]
  1. Prohibited Label Information [§ 6.141]
  2. Container Coverings and Attached Materials [§ 6.142]
  3. Label Alterations [§ 6.143]

**V. Exporters [§ 6.144]**

- A. In General [§ 6.145]
- B. Tax Exemption for Exported or Export-Related Wine [§ 6.146]
- C. Procedures and Requirements Related to Exported or Export-Related Wine [§ 6.147]
  - 1. Bond [§ 6.148]
  - 2. Notice of or Application for Withdrawal [§ 6.149]
  - 3. Labels and Container Marks [§ 6.150]
  - 4. Consigning Wine for Export or for Export-Related Purposes [§ 6.151]
  - 5. Proceedings at Ports of Export and Other Export-Related Locations [§ 6.152]
  - 6. Proof of Export or Export-Related Use [§ 6.153]
  - 7. TTB Export Certificates [§ 6.154]
  - 8. Reports and Records [§ 6.155]
- D. Special Procedures for Changed Plans or Unanticipated Events [§ 6.156]
  - 1. Exportation of Wine with Benefit of Tax Drawback [§ 6.157]
  - 2. Return of Wine to Bonded Premises [§ 6.158]
  - 3. Losses in Transit [§ 6.159]
- E. Alternate Methods or Procedures and Emergency Variations [§ 6.160]

**VI. Appendix 6A: Resources and Guidance [§ 6.161]**

- A. TTB Resources and Guidance [§ 6.162]
- B. DOR & DAB Resources and Guidance [§ 6.163]

**CHAPTER 7**

**DISTILLED SPIRITS PRODUCERS**

**I. Scope of Chapter [§ 7.1]**

**II. Regulation of Intoxicating Liquor Manufacturers and Rectifiers Under State Law [§ 7.2]**

- A. In General [§ 7.3]
- B. Manufacturer's Permit and Rectifier's Permit [§ 7.4]
  - 1. Permit Application and Qualifications [§ 7.5]
  - 2. Interest Restrictions [§ 7.6]

- C. Authorized Activities [§ 7.7]
  - 1. Production, Bottling, Storage, and Wholesale Sales [§ 7.8]
  - 2. Retail Sales [§ 7.9]
- D. Records and Reports [§ 7.10]

### **III. Regulation of Distilled Spirits Plants Under Federal Law [§ 7.11]**

- A. In General [§ 7.12]
- B. Authorization to Operate a Distilled Spirits Plant [§ 7.13]
  - 1. Registration of Distilled Spirits Plants [§ 7.14]
    - a. In General [§ 7.15]
    - b. Original Applications [§ 7.16]
    - c. Notice of Registration, Amended Applications, Reapplication, and Notice of Discontinuance [§ 7.17]
    - d. Operating Permits [§ 7.18]
  - 2. Bond Requirements for Distilled Spirits Plants [§ 7.19]
  - 3. Federal Basic Permits for Proprietors of Distilled Spirits Plants [§ 7.20]
- C. Requirements for Distilled Spirits Plant Premises and Facilities [§ 7.21]
  - 1. Distilled Spirits Plant Premises [§ 7.22]
  - 2. Separate Registration of Stills and Distillation Equipment [§ 7.23]
  - 3. Buildings, Tanks, and Security Requirements [§ 7.24]
  - 4. Signs [§ 7.25]
- D. Distilled Spirits Production and Related Operations [§ 7.26]
  - 1. Distilling Operations [§ 7.27]
  - 2. Processing Operations [§ 7.28]
  - 3. Storage (Aging) of Distilled Spirits [§ 7.29]
  - 4. Bottling or Packaging Operations [§ 7.30]
    - a. In General [§ 7.31]
    - b. Containers [§ 7.32]
    - c. Container Closures [§ 7.33]
    - d. Standards of Fill [§ 7.34]



- E. Additional Issues Related to Distilled Spirits Plant Operations [§ 7.35]
  - 1. Formula Approval [§ 7.36]
  - 2. Alternating Proprietors or Premises [§ 7.37]
  - 3. Gauging [§ 7.38]
  - 4. Alternate Methods or Procedures and Other Exceptions [§ 7.39]
  - 5. Transportation of Distilled Spirits on Plant Premises or in Bulk Conveyances [§ 7.40]
- F. Withdrawal of Distilled Spirits from Bonded Premises, Transfer of Distilled Spirits in Bond, and Return of Distilled Spirits to Bonded Premises [§ 7.41]
  - 1. Withdrawal of Distilled Spirits from Bonded Premises [§ 7.42]
  - 2. Transfers of Distilled Spirits in Bond [§ 7.43]
  - 3. Return of Distilled Spirits to Distilled Spirits Plant [§ 7.44]
- G. Records and Reports [§ 7.45]
  - 1. In General [§ 7.46]
  - 2. Production Account Records [§ 7.47]
  - 3. Storage Account Records [§ 7.48]
    - a. Daily Storage Records [§ 7.49]
    - b. Package Summary Records [§ 7.50]
    - c. Tank Records [§ 7.51]
    - d. Inventory-in-Tank Records [§ 7.52]
  - 4. Processing Account Records [§ 7.53]
    - a. Daily Processing Records [§ 7.54]
    - b. Dump/Batch Records [§ 7.55]
    - c. Bottling and Packaging Records [§ 7.56]
    - d. Records of Alcohol Content and Fill Tests [§ 7.57]
    - e. Inventory Records [§ 7.58]
  - 5. Tax-Related Records [§ 7.59]
    - a. Record of Tax Determination [§ 7.60]
    - b. Daily Summary Record of Tax Determination [§ 7.61]
    - c. Tax Records Related to Effective Tax Rate [§ 7.62]
  - 6. Other Records [§ 7.63]
    - a. Package Gauge Record and Other Gauge Records [§ 7.64]
    - b. Transfer Record [§ 7.65]

- c. Daily Record of Taxpaid Storeroom Operations [§ 7.66]
- d. Record of Inventories [§ 7.67]
- e. Records of Samples [§ 7.68]
- f. Record of Destruction [§ 7.69]
- g. Alternating Premises Record [§ 7.70]
- h. Additional Records [§ 7.71]
- 7. Reports [§ 7.72]

#### **IV. Labeling and Marking Containers of Distilled Spirits [§ 7.73]**

- A. Overview for Distilled Spirits Sold at Retail [§ 7.74]
  - 1. Introduction [§ 7.75]
  - 2. Requirements in General [§ 7.76]
- B. Certificates of Label Approval and Exemptions from Label Approval [§ 7.77]
- C. Label Information [§ 7.78]
  - 1. General Requirements [§ 7.79]
  - 2. Brand Name [§ 7.80]
  - 3. Class and Type or Other Designation [§ 7.81]
    - a. In General [§ 7.82]
    - b. Class and Type and Standards of Identity [§ 7.83]
    - c. Alteration of Class and Type [§ 7.84]
  - 4. Alcohol Content [§ 7.85]
  - 5. Name and Address of Bottler, Distiller, or Processor [§ 7.86]
    - a. Introduction [§ 7.87]
    - b. Name and Function [§ 7.88]
    - c. Form of Address [§ 7.89]
    - d. State of Distillation for Whisky [§ 7.90]
  - 6. Net Contents [§ 7.91]
  - 7. Presence of Coloring Materials, Treatment with Wood, or Blending with Neutral Spirits [§ 7.92]
  - 8. Statement of Age or Distillation Date [§ 7.93]
  - 9. Health Warning Label [§ 7.94]
  - 10. Caloric and Carbohydrate Representations [§ 7.95]
  - 11. Other Mandatory Health-Related Disclosures [§ 7.96]
  - 12. Voluntary Food Allergens Label [§ 7.97]
  - 13. Voluntary Organic Label [§ 7.98]
  - 14. Other Voluntary Information [§ 7.99]

- D. Label Legibility and Standards for the Appearance of Label Information [§ 7.100]
- E. Marking Packages, Shipping Cases, and Bulk Conveyances [§ 7.101]
  - 1. In General [§ 7.102]
  - 2. Packages [§ 7.103]
  - 3. Cases [§ 7.104]
  - 4. Bulk Conveyances [§ 7.105]
- F. Prohibited Label Information and Labeling Practices [§ 7.106]
  - 1. False, Misleading, or Potentially Misleading Label Information [§ 7.107]
  - 2. Container Packaging [§ 7.108]
  - 3. Label Alterations and Relabeling [§ 7.109]
- V. Exporters [§ 7.110]**
  - A. In General [§ 7.111]
  - B. Tax Exemption for Exported or Export-Related Alcohol Beverages [§ 7.112]
  - C. Procedures and Requirements Related to Exported or Export-Related Alcohol Beverages [§ 7.113]
    - 1. Exporter's Bond [§ 7.114]
    - 2. Notice of or Application for Withdrawal [§ 7.115]
    - 3. Labels and Containers [§ 7.116]
    - 4. Consigning Alcohol Beverages for Export or for Export-Related Purposes [§ 7.117]
    - 5. Proceedings at Ports of Export and Other Export-Related Locations [§ 7.118]
    - 6. Proof of Export or Export-Related Use [§ 7.119]
    - 7. TTB Certificate of Origin or Age [§ 7.120]
    - 8. Inspections, Reports, and Retention of Records [§ 7.121]
  - D. Special Procedures for Changed Plans or Unanticipated Events [§ 7.122]
    - 1. Exportation of Distilled Spirits with Benefit of Tax Drawback [§ 7.123]
    - 2. Return of Distilled Spirits to Bonded Premises [§ 7.124]
    - 3. Losses in Transit [§ 7.125]
  - E. Alternate Methods or Procedures and Emergency Variations [§ 7.126]

**VI. Additional Types of Plants Related to Beverage Distilled Spirits [§ 7.127]**

- A. Experimental Distilled Spirits Plants [§ 7.128]
- B. Volatile Fruit-Flavor Concentrate Plants [§ 7.129]

**VII. Appendix 7A: Resources and Guidance [§ 7.130]**

- A. TTB Resources and Guidance [§ 7.131]
- B. DOR and DAB Resources and Guidance [§ 7.132]
- C. Municipal Ordinances [§ 7.133]

**CHAPTER 8**

**ADVERTISING AND UNFAIR COMPETITION**

**I. Scope of Chapter [§ 8.1]**

**II. Advertising Alcohol Beverages [§ 8.2]**

- A. In General [§ 8.3]
- B. Advertising of Wine and Distilled Spirits under the FAA Act [§ 8.4]
  - 1. Advertising Requirements for Wine and Distilled Spirits [§ 8.5]
  - 2. Prohibited Advertising Practices for Wine and Distilled Spirits [§ 8.6]
- C. Advertising of Beer under the FAA Act [§ 8.7]
- D. FTC Regulation of Alcohol Beverage Advertising and Marketing [§ 8.8]
- E. First Amendment Issues in Advertising [§ 8.9]
- F. State Limitations on Alcohol Advertising [§ 8.10]
- G. Local Regulation of Alcohol Advertising [§ 8.11]

**III. Unfair Methods of Competition and Unlawful Competitive Practices [§ 8.12]**

- A. Introduction [§ 8.13]
- B. Exclusive Sales Outlets [§ 8.14]
- C. Tied Houses [§ 8.15]
  - 1. In General [§ 8.16]
  - 2. Interest in Retail License [§ 8.17]
  - 3. Interest in Retail Property [§ 8.18]
  - 4. Furnishing Things of Value [§ 8.19]
    - a. Prohibited Acts [§ 8.20]
    - b. Exceptions [§ 8.21]

- 5. Paying for Advertising, Display, or Distribution Service [§ 8.22]
  - 6. Guaranteeing Loans [§ 8.23]
  - 7. Extensions of Credit [§ 8.24]
  - 8. Quota and Tie-In Sales [§ 8.25]
- D. Commercial Bribery [§ 8.26]
- E. Consignment Sales [§ 8.27]
- F. Applicability to Transactions Involving Beer [§ 8.28]
- G. TTB Administrative Provisions [§ 8.29]
- IV. Interlocking Directorates of Distilled Spirits Plant Proprietors [§ 8.30]**
- V. Appendix 8A: Resources and Guidance [§ 8.31]**
  - A. TTB Resources and Guidance [§ 8.32]
  - B. DOR & DAB Resources and Guidance [§ 8.33]

## **CHAPTER 9**

### **TAXATION OF ALCOHOL BEVERAGES**

- I. Scope of Chapter [§ 9.1]**
- II. Introduction to Taxation of Alcohol Beverages [§ 9.2]**
- III. Excise Taxes on Beer [§ 9.3]**
  - A. State Taxes [§ 9.4]
    - 1. Tax Rate, Tax Credit, and Time of Tax Determination [§ 9.5]
    - 2. Tax Exceptions [§ 9.6]
  - B. Federal Taxes [§ 9.7]
    - 1. Tax Rate [§ 9.8]
    - 2. Time of Tax Determination [§ 9.9]
    - 3. Tax Exceptions [§ 9.10]
- IV. Excise Taxes on Intoxicating Liquor [§ 9.11]**
  - A. State Taxes [§ 9.12]
    - 1. Tax Rate on Distilled Spirits and Wine [§ 9.13]
    - 2. Time of Tax Determination [§ 9.14]
    - 3. Tax Exceptions [§ 9.15]
    - 4. Prohibition Against Multiple Tax Payments and Floor Tax [§ 9.16]

- B. Federal Taxes [§ 9.17]
  - 1. Tax Rate on Distilled Spirits [§ 9.18]
  - 2. Tax Rate on Wine [§ 9.19]
  - 3. Time of Tax Determination [§ 9.20]
    - a. Distilled Spirits [§ 9.21]
    - b. Wine [§ 9.22]
  - 4. Tax Exceptions [§ 9.23]
    - a. Distilled Spirits [§ 9.24]
    - b. Wine [§ 9.25]
  - 5. Persons Liable for Tax [§ 9.26]
    - a. Distilled Spirits [§ 9.27]
    - b. Wine [§ 9.28]

**V. State Tax Procedures [§ 9.29]**

- A. Tax Return Requirements [§ 9.30]
  - 1. Beer [§ 9.31]
  - 2. Wine and Distilled Spirits [§ 9.32]
- B. Tax Bond Requirement [§ 9.33]
- C. Tax Administration [§ 9.34]
  - 1. In General [§ 9.35]
  - 2. Tax-Collection Procedures [§ 9.36]
  - 3. Audits, Assessments, and Refunds [§ 9.37]
  - 4. Taxpayer's Failure to File Return [§ 9.38]
  - 5. Presumptions of Tax Liability [§ 9.39]
  - 6. DAB's Recovery of Costs to Administer Credit Restriction Law [§ 9.40]
  - 7. Confidentiality of Tax Information and DOR Publication of Industry Information [§ 9.41]
- D. Tax Proceedings [§ 9.42]
- E. Tax Offenses and Penalties [§ 9.43]

**VI. Federal Tax Procedures [§ 9.44]**

- A. Tax Return Requirements [§ 9.45]
  - 1. In General [§ 9.46]
  - 2. Distilled Spirits [§ 9.47]
  - 3. Wine [§ 9.48]
  - 4. Beer [§ 9.49]
  - 5. Deadline for Payment of Taxes [§ 9.50]
- B. Tax Administration [§ 9.51]
  - 1. Tax-Collection Procedures [§ 9.52]
    - a. Tax Assessments [§ 9.53]
    - b. Tax Liens and Tax Levies [§ 9.54]

- c. TTB Availability [§ 9.55]
    - d. Calculating Time Periods and Place of Filing [§ 9.56]
  - 2. Settlement of Tax Liability [§ 9.57]
    - a. Offers in Compromise [§ 9.58]
    - b. Closing Agreement for Tax Liability [§ 9.59]
- C. Tax Claims [§ 9.60]
  - 1. In General [§ 9.61]
  - 2. Loss or Destruction of Alcohol Beverages [§ 9.62]
    - a. Distilled Spirits [§ 9.63]
    - b. Wine [§ 9.64]
    - c. Beer [§ 9.65]
  - 3. Exports [§ 9.66]
  - 4. Tax Relief in Other Circumstances [§ 9.67]
  - 5. Limitations Period for Tax Relief Claims [§ 9.68]

## **VII. State Sales Tax on Beer and Intoxicating Liquor [§ 9.69]**

## **VIII. Appendix 9A: Resources and Guidance [§ 9.70]**

- A. TTB Resources and Guidance [§ 9.71]
- B. DOR & DAB Resources and Guidance [§ 9.72]

## **CHAPTER 10**

### **ADMINISTRATIVE PROCEEDINGS, ENFORCEMENT, AND PENALTIES**

#### **I. Scope of Chapter [§ 10.1]**

#### **II. Proceedings Under State Law [§ 10.2]**

- A. Introduction [§ 10.3]
- B. Administrative Proceedings by a Municipality to Suspend, Revoke, or Refuse Renewal of a License [§ 10.4]
  - 1. License Suspension or Revocation upon Complaint [§ 10.5]
  - 2. Municipality's Refusal to Renew a License [§ 10.6]
  - 3. Municipality's Refusal to Issue a New License [§ 10.7]
  - 4. Review of Municipality's Licensing Decisions [§ 10.8]

- 5. Local Ordinances Governing Administrative Proceedings of Municipalities [§ 10.9]
  - a. In General [§ 10.10]
  - b. Madison [§ 10.11]
  - c. Milwaukee [§ 10.12]
  - d. Green Bay [§ 10.13]
- C. Court Proceedings Instituted by DOR to Suspend or Revoke a License [§ 10.14]
  - 1. Proceedings Related to Alcohol Beverage Violations [§ 10.15]
  - 2. Proceedings Related to Alcohol Beverage Tax Violations [§ 10.16]
- D. Administrative Proceedings by DAB to Suspend, Revoke, or Refuse Renewal of a Permit [§ 10.17]
  - 1. In General [§ 10.18]
  - 2. Special Procedure for Certain Liquor Wholesaler Violations [§ 10.19]
  - 3. Procedures Applicable in DAB Administrative Proceedings [§ 10.20]
    - a. In General [§ 10.21]
    - b. Request for Hearing and Initiating a Contested Case for Purposes of Administrative Review [§ 10.22]
    - c. Evidence [§ 10.23]
    - d. Hearing Examiners and Administrative Decisions [§ 10.24]
    - e. Judicial Review of Agency Administrative Decisions [§ 10.25]
- E. Court Proceedings to Prosecute Alcohol Beverage Violations [§ 10.26]
- F. Limitations on the Grounds for Taking Action Against a License or Permit [§ 10.27]
  - 1. Action Based on Arrest or Conviction Record [§ 10.28]
  - 2. Action Based on Smoking or Gambling Machine Violations [§ 10.29]
  - 3. Action Based on Underage Person Violations [§ 10.30]



**III. Administrative Proceedings Under Federal Law Related to Basic Permits, Bottle Labels, or Distinctive Liquor Bottles [§ 10.31]**

- A. Proceedings to Suspend, Revoke, or Annul a Basic Permit or Related to Issuance of a Basic Permit [§ 10.32]
  - 1. In General [§ 10.33]
  - 2. Initiation of Proceedings [§ 10.34]
  - 3. Procedure for Proceedings [§ 10.35]
  - 4. Decision by ALJ and TTB [§ 10.36]
  - 5. Review of Decision [§ 10.37]
- B. Proceedings Related to Labels and Distinctive Liquor Bottles [§ 10.38]
  - 1. Proceedings Related to Denial or Qualified Approval of an Application for a Certificate of Approval [§ 10.39]
  - 2. Proceedings to Revoke a Certificate or Approval [§ 10.40]
  - 3. Revocation by Operation of Law [§ 10.41]

**IV. State Enforcement of Alcohol Beverage Laws [§ 10.42]**

- A. DAB's and DOR's Enforcement Powers and Duties [§ 10.43]
- B. Inspections [§ 10.44]
- C. Authority to Seize and Dispose of Property [§ 10.45]
- D. Prosecutions for Violations [§ 10.46]

**V. Federal Enforcement of Alcohol Beverage Laws [§ 10.47]**

- A. In General [§ 10.48]
- B. Inspections [§ 10.49]
  - 1. Examination of Premises [§ 10.50]
    - a. In General [§ 10.51]
    - b. Distilled Spirits Plants [§ 10.52]
    - c. Wine Premises [§ 10.53]
    - d. Breweries [§ 10.54]
  - 2. Examination of Books, Records, and Witnesses [§ 10.55]
- C. Authority to Seize or Detain Alcohol Beverages and Personal Property [§ 10.56]
  - 1. Detention of Alcohol Beverages [§ 10.57]
  - 2. Seizure and Forfeiture of Personal Property [§ 10.58]

- D. Other Authorized TTB Enforcement Activities [§ 10.59]
  - 1. Authority to Supervise and Monitor Premises [§ 10.60]
    - a. In General [§ 10.61]
    - b. Distilled Spirits Plants [§ 10.62]
    - c. Wine Premises [§ 10.63]
  - 2. Authority to Require or Approve TTB Filings and Documents [§ 10.64]
  - 3. Authority Related to Health Warning Labels [§ 10.65]
  - 4. Other Enforcement Authority [§ 10.66]
- E. Authority to Administer Laws by Promulgating Rules, Prescribing Forms and Procedures, and Issuing Rulings [§ 10.67]
- F. TTB Disclosure of Information [§ 10.68]

## **VI. Penalties for State and Local Offenses [§ 10.69]**

- A. Fines, Forfeitures, and Incarceration [§ 10.70]
- B. Revocation or Suspension of License or Permit [§ 10.71]
  - 1. In General [§ 10.72]
  - 2. Gambling Offenses or Soliciting Drinks [§ 10.73]
- C. Other Issues Appropriate for Court Order [§ 10.74]
  - 1. Seized Alcohol Beverages or Property [§ 10.75]
  - 2. Nuisance [§ 10.76]
  - 3. Violations as Defense to Private Action to Recover Price [§ 10.77]

## **VII. Penalties for Federal Offenses [§ 10.78]**

- A. Criminal Penalties [§ 10.79]
  - 1. Distilled Spirits Violations [§ 10.80]
  - 2. Wine Violations [§ 10.81]
  - 3. Beer Violations [§ 10.82]
  - 4. Federal Alcohol Administration Act Violations [§ 10.83]
  - 5. Miscellaneous Violations [§ 10.84]
- B. Forfeiture of Property [§ 10.85]
  - 1. Distilled Spirits Violations [§ 10.86]
  - 2. Wine Violations [§ 10.87]
  - 3. Beer Violations [§ 10.88]

**VIII. Appendix 10A: Resources and Guidance [§ 10.89]**

- A. TTB Resources and Guidance [§ 10.90]
- B. DOR & DAB Resources and Guidance [§ 10.91]
- C. Municipal Ordinances [§ 10.92]

**INDEX**

