## **Manufacturers' and Rectifiers' Permits**

Alcohol Beverage Laws
Fact Sheet 3114

revenue.wi.gov

This fact sheet provides information about Wisconsin alcohol beverage laws relating to manufacturers' and rectifiers' permits. A manufacturer is a person that ferments, makes, or distills intoxicating liquor. A rectifier is a person that purifies, refines, or mixes intoxicating liquor, or a person who places intoxicating liquor in bottles or other containers. Complete definitions of these two terms are in secs. <a href="https://doi.org/10.103/journal.org/10.103/jou

### **Allowed Activities**

A manufacturer's permit authorizes the following activities (see all authorized activities in sec. <u>125.52(1)</u>, Wis. Stats.):

- Manufacturing intoxicating liquor on the manufacturer's premises
- Selling intoxicating liquor that was made on the manufacturer's premises to wholesalers
- Selling intoxicating liquor, made on the manufacturer's premises, in bulk containers to permitted Wisconsin wineries, manufacturers, or rectifiers to use for production purposes
- Manufacturing wine without obtaining a winery permit
- Entering into production agreements with other producers, as provided under sec. 125.21, Wis. Stats.
- Making retail sales of intoxicating liquor that have been manufactured on the manufacturer's premises
  or on another permitted premises controlled by the manufacturer to individuals at the manufacturing
  premises or, if qualified and authorized at an off-site retail outlet established by the manufacturer.
- Making full-service retail sales at the production premises and/or at an off-site retail outlet if certain production thresholds are met and authorized by the DAB.
- Providing free taste samples of intoxicating liquor on the manufacturing premises and at full-service retail outlet authorized under the manufacturing permit by the DAB.
- Providing free taste samples of intoxicating liquor at a "Class A" or "Class B" licensee under specific circumstances. For more information on providing free taste samples, see <u>Fact Sheet 3106</u>, *Alcohol Beverage Sampling*.
- Operating a restaurant at the manufacturing premises or at an authorized full-service retail outlet established by the manufacturer.

A rectifier's permit authorizes the following activities (see all authorized activities in sec. <u>125.52(1)</u>, Wis. Stats.):

Rectifying intoxicating liquor on the rectifier's premises

- Selling intoxicating liquor that was rectified on the rectifier's premises to wholesalers
- Selling intoxicating liquor, rectified on the rectifier's premises, in bulk containers to permitted Wisconsin wineries, manufacturers, or rectifiers to use for production purposes
- Bottling wine without obtaining a winery permit
- Entering into production agreements with other producers, as provided under sec. 125.21, Wis. Stats.
- Making retail sales of intoxicating liquor that have been manufactured on the rectifier's premises or on another permitted premises controlled by the rectifier to individuals at the rectifying premises or, if qualified and authorized at an off-site retail outlet established by the rectifier.
- Making full-service retail sales at the production premises and/or at an off-site retail outlet if certain production thresholds are met and authorized by the DAB.
- Providing free taste samples of intoxicating liquor on the rectifying premises and at full-service retail outlet authorized under the rectifiers' permit by the DAB.
- Providing free taste samples of intoxicating liquor at a "Class A" or "Class B" licensee under specific circumstances. For more information on providing free taste samples, see <u>Fact Sheet 3106</u>, *Alcohol Beverage Sampling*.
- Operating a restaurant at the rectifying premises or at an authorized full-service retail outlet established by the rectifier.

#### **Small Cooperative Wholesalers**

As of January 1, 2025, Wisconsin law allows for the organization of small cooperative wholesalers, consisting of members that are wineries, manufacturers, and/or rectifiers. Small cooperative wholesalers sell intoxicating liquor (including wine) manufactured, blended, or mixed, and bottled by its members to retailers or wholesalers in Wisconsin. A cooperative wholesaler cannot purchase intoxicating liquor from any person other than a member. Cooperative wholesalers also cannot employ any member or employee of a member.

As of January 1, 2025, a manufacturer or rectifier may become a member of a cooperative wholesaler only if the manufacturer or rectifier meet all the following:

- It produces and bottles less than 50,000 gallons of intoxicating liquor other than wine (distilled spirits) in a calendar year.
- It is certified by the department as a "small manufacturer."
- It holds a Wisconsin manufacturer's or rectifier's permit (unless an out-of-state manufacturer).

If a manufacturer or rectifier becomes a member of cooperative wholesaler, they may only make its intoxicating liquor available for purchase by a retailer or another wholesaler through the cooperative wholesaler of which it is a member. The manufacturer or rectifier may not sell its intoxicating liquor directly to any other wholesaler or directly to a retailer.

#### **Interest Restrictions**

Generally, a manufacturer or rectifier cannot hold, or have any interest in, any wholesale permit or retail license or permit. Several exceptions exist to this general prohibition. Additional manufacturer's and rectifier's permit interest restrictions and exceptions are in secs. 125.20, 125.69(1), Wis. Stats.

# Questions?

If you are unable to find an answer to your question on the division's website, you may email, write, or call the division.

**Website**... <u>revenue.wi.gov/pages/AlcoholBeverage/home.aspx</u>

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