

DOR on Tap

An Alcohol Industry Update

August 2020 | AIU 005

Alcohol beverage licensing renewals for most of the state are now behind us, yet the COVID-19 pandemic and the resulting economic fallout across our communities is not. Many businesses are facing difficult decisions from budget cuts and layoffs to varying business models and re-opening strategies.

State and local governments are also facing difficult decisions, including budget issues. While the fallout from COVID-19 has negatively affected most government revenues, alcohol beverage sales do not seem to be experiencing an overall decrease. In fact, the latest numbers reported to DOR indicate an increase in production.

During the months of March, April, and May 2020, DOR received reports indicating a total of 26,545,996 liters of spirits and wine produced or received in Wisconsin, a 10.9% increase from the same quarter in 2019.

For fermented malt beverage production during March, April, and May 2020, DOR received reports indicating a total of 2,641,861 barrels produced or received in Wisconsin, a 1.6% increase from same quarter in 2019. DOR posts these monthly figures [on our website](#).

Despite these numbers, we have heard many stories throughout the industry of supply not meeting demand, due in large part to widespread packaging shortages. Only time will tell if this has a significant or lasting impact on supplies and/or sales of alcohol beverages.

Finally, during a previous *DOR on Tap* edition, we bid farewell to Tom Ourada and indicated that we would communicate his replacement when that person was hired. Although we have not yet filled Tom's previous position, that recruitment is ongoing. I hope to communicate the contact information for the hire in our next *DOR on Tap* edition.

Cheers,

Tyler Quam, Special Agent in Charge
A&TEU | 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](#)

Clerk's Corner: Legislative Update

On March 3, 2020, [2019 Wisconsin Act 166](#) was enacted into law. This legislation allows a municipal governing body to, by ordinance, authorize a designated municipal official to issue alcohol beverage operator's licenses and provisional operator's licenses. Previously, the authority to issue such licenses was only afforded to the municipal governing body. Since enactment of this legislation, DOR has received questions about the scope of authority a designated municipal official may have under this new law. The below Q & A addresses these questions.

2019 Wisconsin Act 166 allows a designated municipal official to issue operator's license, but does this mean the official can also deny such licenses?

Yes. Although not explicit within the text of the Act, it is inherent within the authority to issue an operator's license that the designated official also has the authority to refuse to issue an operator's license. Municipalities are encouraged to develop guidelines and ordinances for refusals to issue licenses and to establish procedures for applicants to appeal such refusals.

May the designated municipal official also refuse to renew, suspend, or revoke operator's licenses?

No. The authority to refuse to renew, suspend, or revoke a license lies with the municipal governing body.

Filing Liquor Tax Returns Through My Tax Account

All liquor tax returns can be filed via the Wisconsin DOR's online portal My Tax Account. You can retrieve copies of previously filed returns, amend a return, and make payments through My Tax Account.



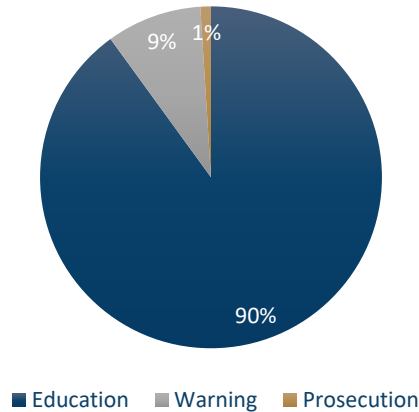
To get started using My Tax Account, go to our [homepage](#) and Under "Online Services" click on the My Tax Account button.

If you are new to My Tax Account, you can set up your username and password online by clicking on "New User? Create new username" at the login screen. You can also register a new business here.

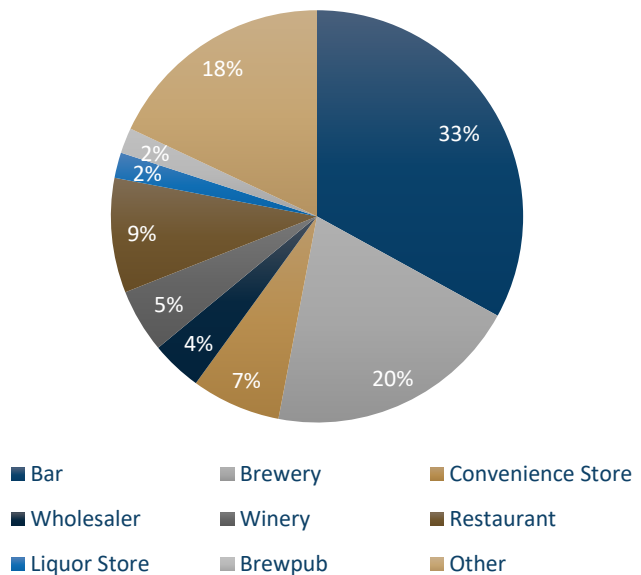
There are numerous helpful resources, including Common Questions and training videos located on the My Tax Account page. Topics include registering, unlocking your account, and adding third party access to your account. We regularly add or update the training materials on the My Tax Account page.

My Tax Account helpline: (608) 261-5338

INVESTIGATION OUTCOMES FY20



ACTIONS BY BUSINESS TYPE FY20



Q & A

Can a marketplace provider sell and ship alcohol beverages to individual Wisconsin consumers?

A marketplace provider cannot sell and ship alcohol beverages directly to Wisconsin consumers. A narrow exception applies for wine direct shippers holding a permit under [sec. 125.535](#), Wis. Stats.

It's a Brew-tiful Day!

Have you been stuck at home during quarantine and wondering what to do with your free time? Maybe you've picked up a new hobby concocting flavors of wine or tried your hand at homebrew? Beer and wine produced solely for personal consumption and not offered for sale are exempt from Wisconsin laws requiring permits, licensing, and the payment of excise taxes. But, before you dive too deep into the well of homemade wine and beer, here are some rules and regulations to keep in mind, which can also be found in secs. [125.06\(3\)](#), [\(3g\)](#), and [\(3m\)](#), Wis. Stats.

1. You cannot sell or receive any compensation for your homemade wine or beer.
2. The wine or beer can only be consumed at a private residence, a private location where consumption of alcohol beverages is otherwise permissible, or at a licensed premises (see 4 and 5 below).
3. You can make up to 100 gallons of wine or beer in a calendar year. If there are two or more people age 21 or older living in your home, then you can make up to 200 gallons.
4. Homemade beer or wine may be consumed at an exhibition, demonstration, judging, tasting, sampling, contest, or competition if held at a private residence or on a licensed premises. The event must be free to attend, and the homemade beer or wine cannot be sold. Any prize awarded during an event is not considered compensation.
5. If a contest, competition, or other event is held at a licensed premises, no fee may be charged for consumption of homemade wine or fermented malt beverages. The licensee may allow the homemade wine or fermented malt beverages to be stored on the premises if the homemade wine or fermented beverages are clearly identified and kept separate from any alcohol beverages owned by the licensee.

Tavern Receives 30-Day License Suspension

During May 2020, local police were called to a Brown County tavern for a report of a fight and an unconscious person. Police referred several persons for serious criminal charges related to the fight and reported that the bar manager was intoxicated and uncooperative with officers during the investigation. It was also determined that there was no licensed operator/bartender on the licensed premises.

An additional complaint was received that the tavern may be diluting or refilling liquor bottles with water or lower quality liquors. In June 2020, agents with the DOR's Alcohol and Tobacco Enforcement Unit conducted an on-site investigation with the assistance of local police. During this investigation, it was found that the tavern was in possession of intoxicating liquor which had no corresponding purchase invoices and which the owner said was possibly purchased from a retail store by his bar manager. Agents seized 38 bottles of liquor which were not properly documented due to being purchased from unauthorized sources. No refilled bottles were found, but education was provided that all alcohol beverages on site must be obtained only from lawful sources, such as permitted Wisconsin wholesalers. Agents also reviewed license applications submitted by the tavern and found potential false statements on these documents.

On June 22, 2020, the municipal board reviewed the reports of violations by local police and the Alcohol and Tobacco Enforcement Unit and issued a 30-day license suspension with additional conditions of:

- Bar manager may no longer have any employment or affiliation with the tavern
- All building code requirements must be met
- Alcohol beverages must be purchased per state statutes
- The business must have functioning security camera systems
- A licensed operator/bartender must be on site at all times of operation

Contact Us

Phone: (715) 842-2343 | Email: DORAlcoholTobaccoEnforcement@wisconsin.gov | [Follow us on Twitter](#)