



DOR on Tap

An Alcohol Industry Update

February 2021 | AIU 007

In the November 2020 edition of *DOR on Tap*, we announced that Zac Dolan was hired to act as a resource for municipal clerks and members of the public. Zac is a great addition to our team, and I think you will find that he is a great source of knowledge on alcohol beverage topics. If you are in need of guidance and can't find the answer to your question on our website or through other resources, please contact Zac at 608-264-4573 or at DORAlcoholTobaccoEnforcement@wisconsin.gov.

While on the topic of personnel changes, I am sorry to announce that Special Agent Henry Morel retired at the end of January 2021. Henry served the state of Wisconsin for approximately 25 years, and 15 of those years were with the Alcohol & Tobacco Enforcement Unit. Henry's enforcement area primarily covered the southwestern portion of the state. Henry was a great resource for many stakeholders, including local law enforcement agencies, municipal officials, business owners, and other community members. His service to our unit and to the state of Wisconsin has been instrumental to DOR's success. While we congratulate Henry on his retirement and wish him the best of luck in wherever the future may take him, we will also miss him dearly.

If you regularly reached out to Henry for assistance, please reach out to Zac using the contact information above. Zac can help you with any of your inquiries, or he can put you in contact with someone who can. In a future newsletter, we will announce Henry's permanent replacement.

Cheers,

Tyler Quam, Special Agent in Charge
A&TEU | Wisconsin Department of Revenue

Clerk's Corner: RBS Training Course Reviews Continue

In the new year, DOR is continuing the ongoing initiative to review approved and new Responsible Beverage Server (RBS) courses. Sellers and servers of alcohol beverages, most commonly bartenders and retail sales employees, must complete an approved RBS course in order to obtain an operator's license.

The initiative involves doing a comprehensive review of courses to ensure that they are current, accurate, and fully functional for students, consistent with DOR's standards. The process for each course can be lengthy based on the number of required updates and corrections. Several RBS course providers have taken the opportunity to also refresh their student interface or course narration during the process.

We are also actively reviewing, and anticipate approving, new RBS courses in both the first and second quarter of 2021. One new course was approved in January. Municipal clerks should refer to our website list of [approved RBS courses](#) when reviewing applications for operator's licenses.

This project will benefit alcohol beverage servers and sellers throughout the state by ensuring people new to the profession know key areas of Wisconsin's alcohol beverage laws, the importance of responsible beverage service, and alcohol's effect on the body.

Contact Us

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

A Brief Overview of Common Underage Regulations

Possession/Consumption of Alcohol Beverages by Underage Individuals

In Wisconsin, possession, consumption, purchase, or procurement of alcohol beverages by an underage person (under 21 years old) is generally illegal. However, an underage person accompanied by a parent, guardian, or spouse of legal drinking age may legally possess or consume alcohol beverages, even at a retail licensed/permitted premises (at the discretion of the licensee/permittee).

Underage Individuals on Retail Licensed/Permitted Premises

Wisconsin law generally prohibits unaccompanied underage individuals from being present on retail licensed/permitted premises. However, when underage individuals are not accompanied, they are still allowed on certain retail licensed/permitted premises listed below (see the full list of exceptions in [sec. 125.07\(3\)\(a\), Wis. Stats.](#)).

- hotel
- grocery store
- bowling center
- movie theater
- painting studio
- certain billiards centers
- indoor golf simulator
- outdoor volleyball court
- service station
- vessel (boat)
- private tennis/soccer club
- curling club
- ski chalet
- golf course and clubhouse
- railcar
- athletic field
- licensed racetrack



Employment of Underage Individuals

An underage person may handle alcohol beverages in the course of employment during working hours if employed by any of the following businesses listed in [sec. 125.07\(4\)\(bm\), Wis. Stats.](#)

- brewer or brewpub
- beer wholesaler
- alcohol beverage warehouse permittee
- winery
- liquor manufacturer/rectifier (distillery)
- liquor wholesaler
- retail licensee or permittee, if the underage person is at least 18 years of age and is a licensed operator (bartender), working under the immediate supervision of a licensed operator, or an immediate family member of the licensee or permittee

Minors age 14 to 17 may be employed in places where alcohol beverages are present, as long as they are not serving, selling, dispensing, or giving away alcohol beverages or acting as bouncers, crowd controllers, or identification checkers. See [sec. DWD 270.12\(15\), Wis. Adm. Code](#) for additional details.

Basics for Manufacturers and Rectifiers

“Manufacturer” means a person, other than a rectifier, that ferments, manufactures or distills intoxicating liquor. [Sec. 125.02\(10\) Wis. Stats.](#)

A permit must be obtained from DOR in order to operate as a manufacturer of liquor. A manufacturer's permit authorizes the following common activities:

- manufacturing intoxicating liquor on the manufacturer's premises
- selling intoxicating liquor, made on the manufacturer's premises:
 - to wholesalers
 - in bulk containers to permitted Wisconsin wineries, manufacturers, or rectifiers to use for production purposes
- providing free taste samples (not exceeding 1.5 fl. oz. per person) of intoxicating liquor that was made on the manufacturer's premises for consumption on the premises
- making retail sales of intoxicating liquor that was made on the manufacturer's premises for consumption on or off the premises.

“Rectifier” means any one of the following:

- a) A person that rectifies, purifies or refines distilled spirits or wines by any process other than by original and continuous distillation from mash, wort or wash, through continuous closed vessels or pipes, until the manufacture thereof is complete.*
- b) A person who possesses any still or leach tub or keeps any other apparatus for refining distilled spirits.*
- c) A person who after rectifying and purifying distilled spirits, by mixing such spirits with any materials, manufactures any spurious, imitation or compound liquors for sale.*
- d) A distiller or any person under substantially the same control as a distiller who, without rectifying, purifying or refining distilled spirits, by mixing such spirits with any materials, manufactures any spurious, imitation or compound liquors for sale under the name of “whiskey”, “brandy”, “gin”, “rum”, “spirits”, “cordials” or any other name.*
- e) A person who places intoxicating liquor in bottles or other containers.*

[Sec. 125.02\(16\) Wis. Stats.](#)

A permit must be obtained from DOR in order to operate as a rectifier of liquor. A rectifier's permit authorizes the following common activities:

- rectifying intoxicating liquor on the rectifier's premises
- selling intoxicating liquor, rectified on the rectifier's premises:
 - to wholesalers
 - in bulk containers to permitted Wisconsin wineries, manufacturers, or rectifiers to use for production purposes
- providing free taste samples (not exceeding 1.5 fl. oz. per person) of intoxicating liquor that was rectified on the rectifier's premises for consumption on the premises
- making retail sales of intoxicating liquor that was rectified on the rectifier's premises for consumption on or off the premises.

The following laws apply to manufacturers and rectifiers:

- the holder of a manufacturer's or rectifier's permit may manufacture and bottle wine, respectively, without obtaining a winery permit
- a manufacturer's or rectifier's permit cannot be issued to a foreign corporation or foreign limited liability company
- the holder of a manufacturer's or rectifier's permit cannot provide free taste samples of or sell intoxicating liquor on the premises unless a licensed operator, or some other person with privilege of an operator's license, is present on the premises and immediately supervising the sale or service.

All activities authorized for manufacturer and rectifier permit holders can be found in [sec. 125.52, Wis. Stats.](#)

If you have questions about either one of these permit types, please call the Excise Tax Unit at 608-266-6701 or email DORExciseTaxpayerAssistance@wisconsin.gov.

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](#)

Don't Try This at Home

The Alcohol and Tobacco Enforcement Unit received an anonymous complaint in October. It alleged that a Langlade County tavern was refilling or diluting intoxicating liquor bottles. Agents investigated the tavern and spoke with the tavern owner about the complaint. Agents did not find evidence of refilling bottles by the tavern but did find a large quantity of homemade intoxicating liquor product in plain bottles with stickers on them indicating only "Raspberry Pie."

Agents spoke with the tavern owner about these bottles. The agents were told a neighbor makes the liquor product, and the tavern had been purchasing bottles for \$10 each for several years. The tavern owner did not know what ingredients were used in the product or what alcohol content the beverage contained but said his customers really liked the drink as a shot.

Agents confiscated 26 bottles at the tavern and later conducted chemical testing of the suspected alcohol beverage product. The testing revealed that alcohol content was inconsistent between bottles and ranged from about 3% to just over 10%. Agents determined that the producers of the product did not possess a manufacturer's or rectifier's permit, as required by law.

The producer of the product was contacted and ultimately agreed to provide information to the investigating agents about manufacturing and selling the intoxicating liquor product. The producer said bottles of Everclear, a grain spirit, were used that were purchased from a local liquor store. The producer heated and mixed the Everclear with other ingredients, including raspberry juice, and then rebottled it in used liquor bottles. The producer admitted to selling approximately 250 bottles to the tavern over the last several years.

The producer could face fines and penalties for acting as a rectifier and liquor wholesaler without the appropriate permits and/or incur potential tax liabilities related to the unpaid intoxicating liquor excise taxes on the alcohol beverages rectified. Additionally, the tavern owner could face penalties and fines for purchasing intoxicating liquor from sources other than a Wisconsin liquor wholesaler, possessing refilled intoxicating liquor bottles, and labeling violations.

Wisconsin laws require manufacturers and rectifiers to possess proper permits and produce alcohol beverages in commercial-grade facilities with proper equipment, safety, and sanitation standards to assure the product is safe for Wisconsinites to consume. Label requirements for manufacturers and rectifiers assure that patrons are aware of the ingredients and alcohol content the products can be consumed safely and responsibly. The distribution of alcohol beverages by independent liquor and beer wholesalers assures the proper excise taxes have been paid on the products and produces a record of the details of the sale to retailers. This three-tier system of independent manufacture, distribution, and retail sale of alcohol beverages to Wisconsin consumers encourages safe products within the marketplace and efficient tax collection for the state.

Applicable Laws and Rules

This document provides statements or interpretations of Wisconsin statutes and administrative rules enacted as of February 1, 2021. Laws enacted and in effect after February 1, 2021, new administrative rules, and court decisions may change the interpretations in this document. Guidance issued prior to February 1, 2021 that is contrary to the information in this document is superseded by this document, pursuant to sec. 73.16(2)a), Wis. Stats.