

A Wisconsin Alcohol Industry Update

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Wisconsin State Supreme Court Chief Justice Ziegler Swears In Alcohol Beverage Special Agents

Madison, WI – A significant step forward in ensuring responsible alcohol beverage practices and public safety across Wisconsin was achieved on Friday, March 14, as the Division of Alcohol Beverage Special Agents were officially sworn into service. The ceremony took place in the Supreme Court Chambers at the Wisconsin State Capitol, with Wisconsin State Supreme Court Chief Justice Annette Ziegler presiding over the solemn oath-taking. This landmark event was celebrated not only by the agents but also their families and children, who gathered to witness this important moment in their careers. Department of Revenue Special Agents assigned to enforcement of lottery laws and cigarette and tobacco laws were also sworn into service during this ceremony.

For Wisconsin's local clerks, liquor license holders, distributors, producers, and sellers, the addition of these Special Agents marks an important reinforcement of the state's commitment to a well-regulated and fair alcohol beverage environment. These agents are vital to maintaining the integrity of the industry, ensuring compliance with state statutes, and fostering a level playing field for all stakeholders.

These dedicated Special Agents perform a wide range of critical functions essential to the responsible operation of the alcohol beverage industry in Wisconsin. Whether it's investigating violations, conducting inspections, providing education, or collaborating with stakeholders, this hard-working team strives every day to ensure compliance with our alcohol laws.

The presence of the agents' families, including spouses and children, added an important dimension to the ceremony, underscoring the personal commitment and sacrifice involved in public service.

Congratulations to our special agents! This milestone reinforces the Division of Alcohol Beverages' ongoing efforts, a critical component of the Wisconsin Department of Revenue, to promote responsible commerce and public safety through effective regulation and enforcement. We congratulate the new Special Agents and look forward to their contributions to the continued success and compliance of Wisconsin's alcohol beverage industry.

Cheers,

Tyler Quam

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Legislative Update

The legislature is back in session as of January 6, 2025, for the next two years. The first order of business is the state budget, prepared every two years, for 2025-2027. 2023 Act 73, the legislation that created the Division of Alcohol Beverages, did not appropriate funds to the Division. Governor Evers' budget allocated 25 people to the division, created an appropriation to fund the division consisting of permit fee revenues, and addressed other state finance needs. Division Administrator Mark Meyer is working with stakeholders and legislators to ensure the Division is adequately resourced for the upcoming biennium.

New & Updated Guidance

[Publication 309](#), Retail Alcohol Beverage Licensing Guide for Municipalities, was updated in March. Please bookmark the link to the page so you always have the latest information about alcohol beverage licensing.

The Division has created several new event venue resources. Changes to state law requiring event venues held out for rent to the public for private parties such as weddings, anniversaries, and birthday parties to obtain a retail alcohol beverage license or no-sale event venue permit go into effect on January 1, 2026. The Department of Revenue's [Alcohol Beverage Landing Page](#) has a new box in the top right corner titled "Event Venue Resources" with links to new common questions, fact sheets, and easy access to existing resources.

Administrative Rules Process

The Division is finished drafting permanent rules pursuant to Scope Statement 009-24 relating to alcohol beverage regulation and taxation. The basis for the permanent rules were the emergency rules adopted in [EmR 2419](#). The department will post the rules to solicit economic and environmental impact comments, submit to the Legislative Council Rules Clearinghouse for technical review, and hold a formal public hearing. The public hearing will be scheduled before the end of the summer. To be notified of the date of the public hearing and general comment period as soon as it is opened, sign up for the DOR Administrative Rules and Alcohol Beverage News [Listservs](#).

Clerk's Corner: Report a List of all Active Alcohol Beverage Licenses

By July 15 of each year, municipalities are required by Wisconsin law to report a list of all active alcohol beverage licenses. Clerks send this report through MyDORGov to be published on the Wisconsin Department of Revenue (DOR) website by completing form AT-827. This year, clerks may notice a few updates to the MyDORGov interface when filing this report, including the following;

- Bulk filers will now upload their data directly into form AT-827, instead of using a different DOR website. An additional question and information have been added for bulk filers.
- Additional tobacco product license questions have been added.
- Based on information provided, the form will automatically calculate the number of licensed locations reported.

For more information on reporting Form AT-827, see Publication 320-0, Retail Alcohol Beverage and Tobacco License Reporting. (link pending, will this be done in time?)

Applicable Laws and Rules

This document provides statements or interpretations of Wisconsin statutes and administrative rules enacted as of June 6, 2025. 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.



To DOR Alcohol
Beverage News

Eligible Producer Tax Credit for Brewers

Wisconsin imposes an occupational tax on the sale of fermented malt beverages (beer) at the rate of \$2.00 per 31 – gallon barrel (sec. 139.02(1), Wis. Stats.). The tax was first imposed in 1933 at the rate of \$1.00 per barrel. The only increase in the tax occurred when it was raised to its current rate of \$ 2.00 per barrel on November 1, 1969. The Wisconsin beer tax has only been raised once since inception and hasn't been raised at all for 55 years and counting!

Eligible producer tax credit - Brewers whose total production in a calendar year is under 300,000 barrels can receive a credit of 50% of the tax paid (or payable) on the first 50,000 taxable barrels in that calendar year (sec. 139.02(2), Wis. Stats.). A Wisconsin location is not necessary to be eligible for this credit. In determining the number of barrels produced by a single brewer, all brands or labels of that brewer must be combined for all beer production facilities (regardless of where located) owned or controlled by that brewer.

Other considerations. A “contract brewing” agreement sec. 125.21(1), Wis. Stats., defines a contract producer and recipe producer. The recipe producer is considered the producer for purposes of the eligible producer credit (sec. 125.21(3)(e), Wis. Stats.).

DAB and DOR Join Investigation

DAB's Enforcement Bureau Special Agents and Department of Revenue (DOR) tax compliance agents jointly investigated a Milwaukee County tavern in 2024 and 2025 that resulted in revocation of the business' retail alcohol beverage license. The alcohol beverage license for the tavern was ultimately revoked in May 2025.

In July 2024, DOR revoked a Milwaukee County tavern's seller's permit due to unpaid taxes. At that time, DAB agents provided revocation process information to the municipality in which the tavern was located. Agents from DOR and DAB special agents made several visits to the tavern to inform the owner of their inability to conduct business without a valid seller's permit. The tavern owner believed because their alcohol beverage license was still issued, they could continue to operate the business. To qualify for a retail alcohol beverage license, Wisconsin law requires a valid seller's permit, required for reporting sales and use tax. Additionally, Wisconsin law prohibits a business from making sales of taxable goods or services without holding a valid seller's permit.

The business owner attempted to circumvent the licensing requirement by trying to obtain a seller's permit under the name of a different legal entity. DOR compliance agents quickly caught this attempt before it could be linked to the business owner's account. Another attempt was made by a family member of the business owner to apply for another alcohol beverage license under the family member's seller's permit. The municipality was quick to deny this, as there cannot be two alcohol beverage licenses for separate entities issued to the same premise. Further, that family member did not meet licensing qualifications.

Ultimately, a member of the common council of the municipality drafted a formal complaint due to multiple concerns related to the tavern and submitted it to the licensing board. The owner went in front of the board for a hearing on nonrenewal of the license and for revocation proceedings against the license. The business' alcohol beverage license was revoked by the municipality in May of 2025.

Video gambling machines in Class A licensees constitute a felony violation. Munis beware!



Beware of an alarming trend gaining in popularity around Wisconsin which seeks to mislead municipal officials into granting Class B licenses, with the sole aim of converting businesses into illegal video gambling locations. Under this scheme, businesses traditionally licensed with Class A licenses apply for Class B licenses, resulting in questions from municipal clerks and business owners about video gambling, other business exceptions, and connecting or overlapping premises.

1. Video gambling machines are illegal in Wisconsin.

Video gambling machines are illegal in Wisconsin, but the penalties for possession vary based on certain circumstances. On a Class B licensed premises (e.g. tavern or restaurant), having five or fewer video gambling machines is subject to a civil forfeiture. Operating or possessing video gambling machines on an unlicensed or Class A premises is a felony. The Division of Alcohol Beverages, Department of Revenue Cigarette, Tobacco, and Vapor Product Enforcement, and our partners in local law enforcement have prioritized enforcement of felony violations, by ordering machines removed from unlicensed and Class A premises. We suspect that some of this enforcement activity has led to some Class A licensees applying for Class B licenses. See Fact Sheet 4100, Video Gambling Machines in Wisconsin, for more information.

2. Class B Licenses authorize sales and consumption of alcohol beverages.

Class B licenses authorize the sale and consumption of alcohol beverages on the licensed premises. There are many laws that regulate this specific purpose, such as only allowing those of legal drinking age on the licensed premises (with exceptions), opening and closing hours, licensed operators present on the premises, purchasing alcohol beverages from distributors, retaining alcohol invoices on the licensed premises, and more. A Class B license does not authorize the operation of video gambling machines.

3. Other business exceptions requires Class B licensees to primarily be engaged in the sales and consumption of alcohol beverages, unless otherwise exempt.

A Class B license authorizes sales and consumption of alcohol beverages on the licensed premises; state statute limits other business that can be conducted on a Class B licensed premises. Allowable other business activities are listed in sec. 125.32(3m), Wis. Stats. There aren't definitions for many of the terms used throughout this section.

4. Generally, Class A licenses and Class B licenses cannot be issued for the same premises.

State law generally prohibits two different classes of licenses on the same premises. In other words, an entity cannot hold a Class A license and a Class B license for the same or connecting premises. The one exception to this rule is for hotels, but this license combination is less necessary now that off-premises sales under Class B licenses have been expanded in the past few legislative sessions.

5. Connecting or overlapping premises are not allowed under state law.

The premises for an alcohol beverage license must not overlap with another licensed premises or prohibited business activity. For a premises to be considered separate from adjoining business activity or a licensed premises, it must be separated by a physical barrier, typically floor to ceiling walls, and have its own separate entrance. Shared common areas, such as restrooms, are okay as long as the actual areas where business is conducted has clear physical boundaries between them and separate entrances.

6. Municipal governing bodies have control.

Municipalities have broad authority to approve or deny retail alcohol beverage licenses at first issuance. With business models getting increasingly diverse, municipalities have a lot of things to take into consideration when making a licensing decision.

The DAB recommends municipalities consider the following questions when deciding whether or not to issue a Class B license:

- Has the municipality granted a Class B license to a similar business in the past?
- Does the business meet the definition of a restaurant?
- Does the business fall under any of the exemptions in 125.32(3m) for other business? Has the municipality issued a Class B license to any other business that may set a precedent?
- Can this business comply with the hours of operation restrictions imposed in state law?
- Does the municipality have an ordinance allowing for sales of intoxicating liquor to go?
- Does this business have a lot of underage customers?
- Does the proposed premises overlap with an existing license or prohibited business activity?
- Is a Class A license issued for this premises?
- Is the business owner relinquishing their Class A licenses if they are issued Class B licenses?

If you have questions about the concepts discussed in this article, please reach out to the Division of Alcohol Beverages at DORAlcohol@wisconsin.gov.