Winery Permits

Alcohol Beverage Laws Fact Sheet 3113

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This fact sheet provides information about Wisconsin alcohol beverage laws relating to winery permits. A winery permit allows a person to manufacture and bottle wine, and to make sales of that wine to wholesalers. No person may operate a winery unless they obtain a permit from the department.

Allowed Activities

A winery permit authorizes the following activities (all authorized activities are in sec. <u>125.53(1)</u>, Wis. Stats.):

- Manufacturing and bottling of wine on the winery premises
- Possessing intoxicating liquor and mixing or blending it to produce wine
- Providing taste samples of wine manufactured on the winery premises
- With municipal approval, obtaining either one "Class A" license or one "Class B" license
- Making retail sales and providing taste samples of wine made by the winery on county or district fairgrounds provided that the wine is purchased from a permitted wholesaler

Small Winery Cooperative Wholesalers

Wisconsin law allows for the organization of small winery cooperative wholesalers, consisting of members that are wineries. Small winery cooperative wholesalers sell wine manufactured, blended, or mixed, and bottled by its members to retailers or wholesalers in Wisconsin. A cooperative wholesaler cannot purchase wine from any person other than a member. Cooperative wholesalers also cannot employ any member or employee of a member.

A winery may become a member of a cooperative wholesaler only if the winery meets all the following:

- It produces and bottles less than 25,000 gallons of wine in a calendar year
- It is certified by the department as a "small winery"
- It holds a Wisconsin winery permit (unless an out-of-state winery)
- It holds a Wisconsin direct wine shipper's permit

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

Retail Sales to Individuals

A winery permit does not allow a winery to make retail sales. However, a winery may, subject to municipal approval, obtain either one "Class A" or one "Class B" license which would allow the winery to sell wine to

individuals on the licensed premises. A "Class B" license issued to a winery allows the winery to sell only wine, not any other intoxicating liquor (e.g., spirits). "Class B" licenses issued to wineries are not subject to state quota (see <u>Fact Sheet 3118</u> "Class B" Liquor License Quotas). A winery holding a "Class B" license may allow consumption of and make retail sales of wine only between the hours of 8 a.m. and 9 p.m.

Interest Restrictions

A winery cannot hold a direct or indirect interest in any of the following:

- A "Class A", "Class B", or "Class C" liquor license, except for either one "Class A" or "Class B" license held by the winery
- A wholesale permit, except that a winery may be a member of a small winery cooperative wholesaler

Additional winery permit interest restrictions and exceptions are in sec. <u>125.69(1)</u>, Wis. Stats., and in sec. <u>Tax 8.87</u>, Wis. Adm. Code.

Any Questions?

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

Visit our website: revenue.wi.gov

Email: DORAlcoholTobaccoEnforcement@wisconsin.gov

Write: Wisconsin Department of Revenue

Alcohol & Tobacco Enforcement

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Applicable Laws and Rules

This document provides statements or interpretations of the following laws and regulations enacted as of August 16, 2022: secs. 125.04, 125.51, 125.53, 125.545, 125.68, and 125.69, Wis. Stats., and sec. Tax 8.87, Wis. Adm. Code.

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.

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