

**123.43A Native distilleries.**

1. Subject to rules of the division, a native distillery holding a class “A” native distilled spirits license issued pursuant to [section 123.43](#) may sell or offer for sale native distilled spirits. As provided in [this section](#), sales of native distilled spirits manufactured on the premises may be made at retail for off-premises consumption when sold on the premises of the native distillery that manufactures native distilled spirits. All sales intended for resale in this state shall be made through the state’s wholesale distribution system.

2. A native distillery shall not sell more than one and one-half liters per person per day, of native distilled spirits on the premises of the native distillery. However, a native distillery which, combining all production facilities of the business, produces and manufactures not more than one hundred thousand proof gallons of native distilled spirits on an annual basis, may sell not more than nine liters per person per day, of native distilled spirits. In addition, a native distillery shall not directly ship native distilled spirits for sale at retail. The native distillery shall maintain records of individual purchases of native distilled spirits at the native distillery for three years.

3. A native distillery shall not sell native distilled spirits other than as permitted in [this chapter](#) and shall not allow native distilled spirits sold for consumption off the premises to be consumed upon the premises of the native distillery. However, native distilled spirits may be tasted pursuant to the rules of the division on the premises where fermented, distilled, or matured, when no charge is made for the tasting.

4. The sale of native distilled spirits to the division for wholesale disposition and sale by the division shall be subject to the requirements of [this chapter](#) regarding such disposition and sale.

5. The division shall issue no more than three class “A” native distilled spirits licenses to a person. In addition, a native distillery issued a class “A” native distilled spirits license shall file with the division, on or before the fifteenth day of each calendar month, all documents filed by the native distillery with the alcohol and tobacco tax and trade bureau of the United States department of the treasury, including all production, storage, and processing reports.

6. Notwithstanding any provision of [this chapter](#) to the contrary or the fact that a person is the holder of a class “A” native distilled spirits license, a native distillery which, combining all production facilities of the business, produces and manufactures not more than one hundred thousand proof gallons of native distilled spirits on an annual basis may sell those native distilled spirits manufactured on the premises of the native distillery for consumption on the premises by applying for a class “C” native distilled spirits liquor control license as provided in [section 123.30](#). A native distillery may be granted not more than one class “C” native distilled spirits liquor control license. All native distilled spirits sold by a native distillery for on-premises consumption shall be purchased from a class “E” liquor control licensee. A manufacturer of native distilled spirits may be issued a class “C” native distilled spirits liquor control license regardless of whether the manufacturer is also a manufacturer of native wine pursuant to a class “A” wine permit. A native distillery engaged in the business of manufacturing beer shall not be issued a class “C” native distilled spirits liquor control license.

7. A native distillery may sell the native distilled spirits it manufactures to customers outside the state.

[2010 Acts, ch 1031, §84; 2010 Acts, ch 1193, §40; 2011 Acts, ch 17, §9; 2011 Acts, ch 30, §4; 2015 Acts, ch 53, §1; 2016 Acts, ch 1008, §7; 2017 Acts, ch 119, §45](#)

Section amended