

House Study Bill 592 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT
OF COMMERCE/ALCOHOLIC
BEVERAGES DIVISION BILL)

A BILL FOR

1 An Act providing for the personal importation of wine and beer,
2 and making taxes and penalties applicable.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 123.146 **Importation of beer for**
2 **personal use.**

3 Except as otherwise provided in this chapter, a person shall
4 not import beer. However, an individual of legal age may
5 import into the state without a certificate, permit, or license
6 an amount of beer not to exceed two and one-quarter gallons
7 per calendar month that the individual personally obtained
8 outside the state or, in the case of beer personally obtained
9 outside the United States, a quantity which does not exceed
10 the amount allowed by federal law governing the importation
11 of alcoholic beverages into the United States for personal
12 consumption. Beer imported pursuant to this section shall be
13 for personal consumption in a private home or other private
14 accommodation and only if the beer is not sold, exchanged,
15 bartered, dispensed, or given in consideration of purchase for
16 any property or services or in evasion of the requirements of
17 this chapter.

18 Sec. 2. Section 123.171, Code 2016, is amended to read as
19 follows:

20 123.171 **Wine certificate, permit, or license required —**
21 **exception for personal use.**

22 1. A person shall not cause the manufacture, importation,
23 or sale of wine in this state unless a certificate or permit
24 as provided in [this subchapter](#), or a liquor control license as
25 provided in [subchapter I of this chapter](#), is first obtained
26 which authorizes that manufacture, importation, or sale.

27 2. Notwithstanding subsection 1, an individual of legal
28 age may import into the state without a certificate, permit,
29 or license an amount of wine not to exceed eighteen liters
30 per calendar month that the individual personally obtained
31 outside the state or, in the case of wine personally obtained
32 outside the United States, a quantity which does not exceed
33 the amount allowed by federal law governing the importation
34 of alcoholic beverages into the United States for personal
35 consumption. Wine imported pursuant to this subsection shall

1 be for personal consumption in a private home or other private
2 accommodation and only if the wine is not sold, exchanged,
3 bartered, dispensed, or given in consideration of purchase for
4 any property or services or in evasion of the requirements of
5 this chapter.

6 Sec. 3. Section 123.183, subsections 1 and 3, Code 2016, are
7 amended to read as follows:

8 1. In addition to the annual permit fee to be paid by each
9 class "A" wine permittee, a wine gallonage tax shall be levied
10 and collected from each class "A" wine permittee on all wine
11 manufactured for sale and sold in this state at wholesale and
12 on all wine imported into this state for sale at wholesale
13 and sold in this state at wholesale. A wine gallonage tax
14 shall also be levied and collected on the direct shipment of
15 wine pursuant to [section 123.187](#) and on the personal shipment
16 of wine pursuant to section 123.188. The rate of the wine
17 gallonage tax is one dollar and seventy-five cents for each
18 wine gallon. The same rate shall apply for the fractional
19 parts of a wine gallon. The wine gallonage tax shall not
20 be levied or collected on wine sold by one class "A" wine
21 permittee to another class "A" wine permittee.

22 3. The revenue collected from the wine gallonage tax on
23 wine imported into this state for sale at wholesale and sold in
24 this state at wholesale, ~~and~~ on wine subject to direct shipment
25 as provided in [section 123.187](#) by a wine manufacturer licensed
26 or permitted pursuant to laws regulating alcoholic beverages
27 in another state, and on wine subject to personal shipment as
28 provided in section 123.188, shall be deposited in the beer and
29 liquor control fund created in [section 123.17](#).

30 Sec. 4. Section 123.184, Code 2016, is amended by adding the
31 following new subsection:

32 NEW SUBSECTION. 3. Each personal wine shipment license
33 holder shall make a report under oath to the division
34 electronically, or in a manner prescribed by the administrator,
35 on or before the tenth day of the calendar months of June and

1 December, showing the exact number of gallons of wine and
2 fractional parts of gallons purchased and shipped pursuant to
3 section 123.188 during the preceding six-month calendar period.
4 The report shall also state whatever reasonable additional
5 information the administrator requires. The license holder
6 at the time of filing this report shall pay to the division
7 the amount of tax due at the rate fixed in section 123.183.
8 A penalty of ten percent of this amount shall be assessed
9 and collected if the report required to be filed pursuant to
10 this subsection is not filed and the tax paid within the time
11 required by this subsection.

12 Sec. 5. NEW SECTION. 123.188 **Personal wine shipment**
13 **license.**

14 1. An individual of legal age desiring to import wine that
15 has not been personally obtained or is in excess of the amount
16 provided for in section 123.171, subsection 2, shall first make
17 application for and shall be issued a personal wine shipment
18 license by the administrator for that purpose.

19 2. Except as otherwise provided in this chapter, a personal
20 wine shipment license shall be issued to an individual who
21 complies with all of the following:

22 a. Submits an application for the license electronically, or
23 in a manner prescribed by the administrator, which shall state
24 under oath:

25 (1) The name and place of residence of the applicant.

26 (2) That the applicant is a citizen of the state of Iowa.

27 (3) That the applicant is a person of good moral character
28 as defined by this chapter.

29 b. Submits a license fee of one hundred dollars payable to
30 the division.

31 3. A license issued pursuant to this section may be renewed
32 annually by resubmitting an application as required by this
33 section, accompanied by the one hundred dollar license fee.

34 4. The personal shipment of wine to a license holder
35 pursuant to this section is subject to the following

1 requirements and restrictions:

2 *a.* The wine shall only be shipped to the license holder at
3 the address listed on the application.

4 *b.* The wine shall be for the license holder's personal
5 use and consumption in a private home or other private
6 accommodation and only if the wine is not sold, exchanged,
7 bartered, dispensed, or given in consideration of purchase for
8 any property or services or in evasion of the requirements of
9 this chapter.

10 *c.* The wine shall be lawfully obtained.

11 *d.* The wine shall be properly registered with the federal
12 alcohol and tobacco tax and trade bureau.

13 *e.* The wine shall not be shipped directly from a
14 manufacturer or wholesaler licensed or permitted pursuant to
15 the laws regulating alcoholic beverages in this state or any
16 other jurisdiction.

17 *f.* All containers of wine shipped pursuant to this section
18 shall be conspicuously labeled with the words "CONTAINS
19 ALCOHOL: SIGNATURE OF PERSON AGE 21 OR OLDER REQUIRED FOR
20 DELIVERY" or shall be conspicuously labeled with alternative
21 wording preapproved by the administrator.

22 *g.* All containers of wine shipped pursuant to this section
23 shall be shipped by an alcohol carrier licensed as provided in
24 section 123.187, subsection 6.

25 5. *a.* In addition to the annual license fee, each personal
26 wine shipment license holder shall remit to the division an
27 amount equivalent to the wine gallonage tax on wine subject
28 to direct shipment at the rate specified in section 123.183
29 for deposit as provided in section 123.183, subsection 3. The
30 amount shall be remitted at the time and in the manner provided
31 in section 123.184, subsection 3, and the ten percent penalty
32 specified therein shall be applicable.

33 *b.* Shipment of wine pursuant to this section does not
34 require a refund value for beverage container control purposes
35 under chapter 455C.

1 6. Each personal wine shipment license holder shall be
2 deemed to have consented to the jurisdiction of the division or
3 any other agency or court in this state concerning enforcement
4 of this section and any related laws, rules, or regulations.
5 Each license holder shall permit the division to perform an
6 audit of shipping records upon request.

7 7. A personal wine shipment license does not exempt
8 the holder from federal requirements for shipments of wine
9 originating outside the United States.

10 8. A violation of this section shall subject a license
11 holder to the penalty provisions of section 123.39.

12 EXPLANATION

13 The inclusion of this explanation does not constitute agreement with
14 the explanation's substance by the members of the general assembly.

15 This bill concerns the personal importation of wine and beer
16 into this state.

17 New Code section 123.146 allows an individual of legal age
18 to personally obtain outside the state and import into the
19 state for personal use a certain amount of beer without a
20 certificate, permit, or license. The bill limits the amount of
21 beer to be imported for personal use to an amount of beer not to
22 exceed two and one-quarter gallons per calendar month or, in
23 the case of beer personally obtained outside the United States,
24 a quantity which does not exceed the amount allowed by federal
25 law governing the importation of alcoholic beverages into the
26 United States for personal consumption.

27 Code section 123.171 is amended to allow an individual of
28 legal age to personally obtain outside the state and import
29 into the state for personal use a certain amount of wine
30 without a certificate, permit, or license. The bill limits the
31 amount of wine to be imported for personal use to an amount
32 of wine not to exceed 18 liters per calendar month or, in the
33 case of wine personally obtained outside the United States, a
34 quantity which does not exceed the amount allowed by federal
35 law governing the importation of alcoholic beverages into the

1 United States for personal consumption.
2 New Code section 123.188 establishes a personal wine
3 shipment license for an individual desiring to import wine
4 into the state for personal use in an amount in excess of the
5 amount allowed under Code section 123.171 as amended by the
6 bill. The bill provides for an annual license fee of \$100 for
7 this new license. The bill provides that wine shipped pursuant
8 to this new license shall be shipped only to the address of the
9 license holder, shall be for personal use, shall be lawfully
10 obtained and registered with the federal alcohol and tobacco
11 tax and trade bureau, shall not be shipped directly from a
12 manufacturer or wholesaler, and shall be subject to certain
13 labeling and shipping requirements. The bill requires the
14 license holder to pay the wine gallonage tax on wine shipped.
15 Penalties applicable to a wine manufacturer with a wine direct
16 shipper license are also made applicable to a holder of the new
17 license. Code sections 123.183 and 123.184, concerning the
18 wine gallonage tax, are amended to provide for the requirement
19 to pay the wine gallonage tax and to report on the gallons of
20 wine sold and shipped by a holder of a personal wine shipment
21 license.