

**Senate File 2167 - Introduced**

SENATE FILE 2167

BY SHIPLEY

**A BILL FOR**

1 An Act providing for the direct shipment of beer, and including  
2 effective date provisions.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 123.32, subsection 1, paragraph b, Code  
2 2024, is amended by adding the following new subparagraph:

3 NEW SUBPARAGRAPH. (06) A beer direct shipper license as  
4 provided in section 123.147.

5 Sec. 2. Section 123.32, subsection 1, paragraph b,  
6 subparagraph (10), Code 2024, is amended to read as follows:

7 (10) ~~A wine~~ An alcoholic beverage carrier permit as provided  
8 in [section 123.188](#).

9 Sec. 3. Section 123.39, subsection 1, paragraph a,  
10 subparagraph (2), Code 2024, is amended to read as follows:

11 (2) The director may suspend a certificate of compliance, a  
12 class "D" retail alcohol license, a manufacturer's license, a  
13 broker's permit, a class "A" native distilled spirits license,  
14 a class "A" or special class "A" beer permit, a class "A" wine  
15 permit, a wine direct shipper's permit, or ~~a wine~~ an alcoholic  
16 beverage carrier permit for a period not to exceed one year,  
17 revoke the license, permit, or certificate, or impose a civil  
18 penalty not to exceed one thousand dollars per violation.

19 Sec. 4. Section 123.46A, subsection 5, Code 2024, is amended  
20 to read as follows:

21 5. Nothing in [this section](#) shall impact the direct shipment  
22 of beer as regulated by section 123.147 or the direct shipment  
23 of wine as regulated by [section 123.187](#).

24 Sec. 5. Section 123.136, subsection 1, Code 2024, is amended  
25 to read as follows:

26 1. In addition to the annual permit fee to be paid by  
27 all class "A" beer permittees under [this chapter](#) there shall  
28 be levied and collected from the permittees on all beer  
29 manufactured for sale or sold in this state at wholesale and  
30 on all beer imported into this state for sale at wholesale and  
31 sold in this state at wholesale, and from special class "A"  
32 beer permittees on all beer manufactured for consumption on the  
33 premises and on all beer sold at retail at the manufacturing  
34 premises for consumption off the premises pursuant to section  
35 123.130, subsection 4, a tax of five and eighty-nine hundredths

1 dollars for every barrel containing thirty-one gallons, and at  
2 a like rate for any other quantity or for the fractional part  
3 of a barrel. A barrel tax shall also be levied and collected  
4 on the direct shipment of beer pursuant to section 123.147.  
5 However, no tax shall be levied or collected on beer shipped  
6 outside this state by a class "A" beer permittee or special  
7 class "A" beer permittee or on beer sold to a class "A" beer  
8 permittee by a special class "A" beer permittee or another  
9 class "A" beer permittee.

10 Sec. 6. Section 123.137, Code 2024, is amended by adding the  
11 following new subsection:

12 NEW SUBSECTION. 1A. Each beer direct shipper license  
13 holder shall make a report under oath to the department  
14 electronically, or in a manner prescribed by the director,  
15 on or before the tenth day of the calendar months of June  
16 and December, showing the exact number of barrels of beer  
17 and fractional parts of barrels sold and shipped pursuant to  
18 section 123.147 during the preceding six-month calendar period.  
19 The report shall also state whatever reasonable additional  
20 information the director requires. The license holder at the  
21 time of filing this report shall pay to the department the  
22 amount of tax due at the rate fixed in section 123.136.

23 Sec. 7. NEW SECTION. 123.147 **Direct shipment of beer —**  
24 **license and requirements.**

25 1. A beer manufacturer licensed or permitted pursuant to  
26 laws regulating alcoholic beverages in this state or another  
27 state may apply for a beer direct shipper license, as provided  
28 in this section.

29 2. a. Only a beer manufacturer that holds a beer direct  
30 shipper license issued pursuant to this section shall sell beer  
31 at retail for direct shipment to any person within this state.  
32 This section shall not prohibit an authorized retail licensee  
33 from delivering beer pursuant to section 123.46A.

34 b. A beer manufacturer applying for a beer direct  
35 shipper license shall submit an application for the license

1 electronically, or in a manner prescribed by the director,  
2 accompanied by a true copy of the manufacturer's current  
3 alcoholic beverage license or permit issued by the state  
4 where the manufacturer is primarily located and a copy of the  
5 manufacturer's basic permit issued by the alcohol and tobacco  
6 tax and trade bureau of the United States department of the  
7 treasury.

8     *c.* An application submitted pursuant to paragraph "b" shall  
9 be accompanied by a license fee in the amount of twenty-five  
10 dollars.

11     *d.* A license issued pursuant to this section may be renewed  
12 annually by submitting a renewal application with the director  
13 in a manner prescribed by the director, accompanied by the  
14 twenty-five-dollar license fee.

15     3. The direct shipment of beer pursuant to this  
16 section shall be subject to the following requirements and  
17 restrictions:

18     *a.* Beer shall only be shipped to a resident of this state  
19 who is at least twenty-one years of age, for the resident's  
20 personal use and consumption and not for resale.

21     *b.* Beer subject to direct shipping shall be properly  
22 registered with the federal alcohol and tobacco tax and trade  
23 bureau, and manufactured on the licensed premises of the beer  
24 direct shipper licensee.

25     *c.* All containers of beer shipped directly to a resident  
26 of this state shall be conspicuously labeled with the words  
27 "CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE 21 OR OLDER  
28 REQUIRED FOR DELIVERY" or shall be conspicuously labeled with  
29 alternative wording preapproved by the director.

30     *d.* All containers of beer shipped directly to a resident  
31 of this state shall be shipped by a holder of an alcoholic  
32 beverage carrier permit as provided in section 123.188.

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

1 4. A beer direct shipper licensee shall remit to the  
2 department an amount equivalent to the barrel tax on beer  
3 subject to direct shipment at the rate specified in section  
4 123.136 for deposit as provided in section 123.136, subsection  
5 2. The amount shall be remitted at the time and in the manner  
6 provided in section 123.137, subsection 1A, and the ten percent  
7 penalty specified in section 123.137, subsection 2, shall be  
8 applicable.

9 5. A beer direct shipper licensee shall be deemed to have  
10 consented to the jurisdiction of the department or any other  
11 agency or court in this state concerning enforcement of this  
12 section and any related laws, rules, or regulations. A license  
13 holder shall allow the department to perform an audit of  
14 shipping records upon request.

15 6. A violation of this section shall subject the licensee  
16 to the general penalties provided in this chapter and shall  
17 constitute grounds for imposition of a civil penalty or  
18 suspension or revocation of the license pursuant to section  
19 123.39.

20 Sec. 8. Section 123.187, subsection 3, paragraph d, Code  
21 2024, is amended to read as follows:

22 d. All containers of wine shipped directly to a resident of  
23 this state shall be shipped by a holder of ~~a wine~~ an alcoholic  
24 beverage carrier permit as provided in [section 123.188](#).

25 Sec. 9. Section 123.188, subsections 1, 2, and 4, Code 2024,  
26 are amended to read as follows:

27 1. A person desiring to deliver beer subject to direct  
28 shipment within this state pursuant to section 123.147 and  
29 wine subject to direct shipment within this state pursuant  
30 to [section 123.187](#) shall submit an application for ~~a wine~~ an  
31 alcoholic beverage carrier permit electronically, or in a  
32 manner prescribed by the director, which shall be accompanied  
33 by a fee in the amount of one hundred dollars.

34 2. The director may in accordance with [this chapter](#) issue a  
35 ~~wine~~ an alcoholic beverage carrier permit which shall be valid

1 for one year from the date of issuance unless it is sooner  
2 suspended or revoked for a violation of [this chapter](#).

3 4. The delivery of beer and wine pursuant to this  
4 section shall be subject to the following requirements and  
5 restrictions:

6 a. ~~A wine~~ An alcoholic beverage carrier permittee shall  
7 not deliver beer or wine to any person under twenty-one years  
8 of age, or to any person who either is or appears to be in an  
9 intoxicated state or condition.

10 b. ~~A wine~~ An alcoholic beverage carrier permittee shall  
11 obtain valid proof of identity and age prior to delivery,  
12 and shall obtain the signature of an adult as a condition of  
13 delivery.

14 c. ~~A wine~~ An alcoholic beverage carrier permittee shall  
15 maintain records of beer and wine shipped which include the  
16 permit number and name of the beer and wine manufacturer,  
17 quantity of beer and wine shipped, recipient's name and  
18 address, and an electronic or paper form of signature from the  
19 recipient of the beer and wine. Records shall be submitted to  
20 the department on a monthly basis in a form and manner to be  
21 determined by the department.

22 Sec. 10. EFFECTIVE DATE. This Act takes effect January 1,  
23 2025.

24 EXPLANATION

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

27 This bill allows for the direct shipment of beer within the  
28 state.

29 New Code section 123.147 provides for the direct shipment  
30 of beer and provides for a beer direct shipper license.  
31 Provisions governing the direct shipment of wine and the wine  
32 direct shipper permit are generally made applicable to the new  
33 Code section providing for the direct shipment of beer. The  
34 bill provides for application requirements and establishes the  
35 annual fee for the license as \$25. The bill also provides that

1 a licensee under the new Code section shall pay the barrel tax  
2 on beer subject to direct shipment at the rate specified for  
3 beer sold in the state. Code section 123.135, concerning the  
4 barrel tax, and Code section 123.136, concerning report of  
5 barrel sales, are made applicable to beer subject to direct  
6 shipment.

7 Code section 123.188, providing for a wine carrier permit,  
8 is amended to provide for the direct shipment of beer as  
9 provided by the bill.

10 The bill takes effect January 1, 2025.