

**House File 526 - Introduced**

HOUSE FILE 526  
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO HF 57)

**A BILL FOR**

1 An Act providing for the direct shipment of beer, levying a  
2 barrel tax, providing fees, making penalties applicable, and  
3 including effective date provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 123.32, subsection 1, paragraph b, Code  
2 2025, is amended by adding the following new subparagraph:

3 NEW SUBPARAGRAPH. (07) A beer direct shipper permit as  
4 provided in section 123.147.

5 Sec. 2. Section 123.32, subsection 1, paragraph b,  
6 subparagraph (10), Code 2025, 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 123.35, subsection 4, unnumbered paragraph 1,  
10 Code 2025, is amended to read as follows:

11 Notwithstanding ~~section~~ sections 123.147 and 123.187, and any  
12 other provision of this chapter to the contrary, a beer or wine  
13 ~~direct shipper's~~ shipper permit shall automatically renew without  
14 approval by the director upon collection of the annual fee by  
15 the department, provided all of the following conditions are met  
16 since the preceding permit was issued:

17 Sec. 4. Section 123.35, subsection 4, paragraph e, Code 2025,  
18 is amended to read as follows:

19 e. The permittee has filed all required reports and remitted  
20 all beer barrel tax owed pursuant to section 123.136 or wine  
21 gallage tax owed pursuant to section 123.183, as applicable.

22 Sec. 5. Section 123.39, subsection 1, paragraph a,  
23 subparagraph (2), Code 2025, is amended to read as follows:

24 (2) The director may suspend a certificate of compliance, a  
25 class "D" retail alcohol license, a manufacturer's license, a  
26 broker's permit, a class "A" native distilled spirits license, a  
27 class "A" or special class "A" beer permit, a beer direct shipper  
28 permit, a class "A" wine permit, a wine direct  
29 ~~shipper's~~ shipper permit, or ~~a wine~~ an alcoholic beverage carrier  
30 permit for a period not to exceed one year, revoke the license,  
31 permit, or certificate, or impose a civil penalty not to exceed  
32 one thousand dollars per violation.

33 Sec. 6. Section 123.46A, subsection 5, Code 2025, is amended  
34 to read as follows:

35 5. Nothing in this section shall impact the direct shipment

1 of beer as regulated by section 123.147 or the direct shipment of  
2 wine as regulated by section 123.187.

3 Sec. 7. Section 123.136, subsection 1, Code 2025, is amended  
4 to read as follows:

5 1. In addition to the annual permit fee to be paid by all  
6 class "A" beer permittees under this chapter there shall be  
7 levied and collected from the permittees on all beer manufactured  
8 for sale or sold in this state at wholesale and on all beer  
9 imported into this state for sale at wholesale and sold in this  
10 state at wholesale, and from special class "A" beer permittees on  
11 all beer manufactured for consumption on the premises and on all  
12 beer sold at retail at the manufacturing premises for consumption  
13 off the premises pursuant to section 123.130, subsection 4, a  
14 tax of five and eighty-nine hundredths dollars for every barrel  
15 containing thirty-one gallons, and at a like rate for any other  
16 quantity or for the fractional part of a barrel. A barrel tax  
17 shall also be levied and collected on the direct shipment of beer  
18 pursuant to section 123.147. However, no tax shall be levied or  
19 collected on beer shipped outside this state by a class "A" beer  
20 permittee or special class "A" beer permittee to an out-of-state  
21 wholesaler of beer or on beer sold to a class "A" beer permittee  
22 by a special class "A" beer permittee or another class "A" beer  
23 permittee.

24 Sec. 8. Section 123.137, Code 2025, is amended by adding the  
25 following new subsection:

26 NEW SUBSECTION. 1A. Each beer direct shipper permit holder  
27 shall make a report under oath to the department electronically,  
28 or in a manner prescribed by the director, on or before the tenth  
29 day of the calendar months of June and December, showing the  
30 exact number of barrels of beer and fractional parts of barrels  
31 sold and shipped pursuant to section 123.147 during the preceding  
32 six-month calendar period. The report must also state whatever  
33 reasonable additional information the director requires. The  
34 permit holder at the time of filing this report shall pay to the  
35 department the amount of tax due at the rate fixed in section

1 123.136.

2 Sec. 9. NEW SECTION. **123.147 Direct shipment of beer —**  
3 **permit and requirements.**

4 1. A beer manufacturer holding a class "A" beer permit issued  
5 by the department who also holds a brewer's notice issued by the  
6 alcohol and tobacco tax and trade bureau of the United States  
7 department of the treasury may apply for a beer direct shipper  
8 permit as provided in this section.

9 2. a. Only a class "A" beer permit holder that holds a beer  
10 direct shipper permit issued pursuant to this section may sell  
11 beer at retail for direct shipment to any person within this  
12 state, or from this state to any person outside the state if  
13 also authorized pursuant to the laws of that jurisdiction. This  
14 section does not prohibit an authorized retail licensee from  
15 delivering beer pursuant to section 123.46A.

16 b. A class "A" beer permit holder applying for a beer  
17 direct shipper permit shall submit an application for the permit  
18 electronically, or in a manner prescribed by the director,  
19 accompanied by a true copy of the manufacturer's class "A" beer  
20 permit issued by the department and a copy of the manufacturer's  
21 brewer's notice issued by the alcohol and tobacco tax and trade  
22 bureau of the United States department of the treasury.

23 c. An application submitted pursuant to paragraph "b" shall  
24 be accompanied by a permit fee in the amount of twenty-five  
25 dollars.

26 d. A permit issued pursuant to this section may be renewed  
27 annually by submitting a renewal application with the director  
28 in a manner prescribed by the director, accompanied by the  
29 twenty-five dollar permit fee.

30 3. The direct shipment of beer pursuant to this section is  
31 subject to the following requirements and restrictions:

32 a. Beer shall only be shipped to a resident of this state,  
33 or from this state to a person outside the state if also  
34 authorized pursuant to the laws of that jurisdiction, who is at  
35 least twenty-one years of age, for the person's personal use and

1 consumption and not for resale.

2     b. Beer subject to direct shipping shall be properly  
3 registered with the federal alcohol and tobacco tax and trade  
4 bureau, and manufactured on the licensed premises of the beer  
5 direct shipper permittee.

6     c. All containers of beer shipped under this section shall be  
7 conspicuously labeled with the words "CONTAINS ALCOHOL: SIGNATURE  
8 OF PERSON AGE 21 OR OLDER REQUIRED FOR DELIVERY" or shall be  
9 conspicuously labeled with alternative wording preapproved by the  
10 director.

11     d. All containers of beer shipped under this section shall be  
12 shipped by a holder of an alcoholic beverage carrier permit as  
13 provided in section 123.188.

14     e. Shipment of beer pursuant to this subsection does not  
15 require a refund value for beverage container control purposes  
16 under chapter 455C.

17     4. A beer direct shipper permittee shall remit to the  
18 department an amount equivalent to the barrel tax on beer subject  
19 to direct shipment, whether shipped within the state or out of  
20 state, at the rate specified in section 123.136 for deposit as  
21 provided in section 123.136, subsection 2. The amount shall  
22 be remitted at the time and in the manner provided in section  
23 123.137, subsection 1A, and the ten percent penalty specified in  
24 section 123.137, subsection 2, shall be applicable.

25     5. A beer direct shipper permittee shall be deemed to have  
26 consented to the jurisdiction of the department or any other  
27 agency or court in this state concerning enforcement of this  
28 section and any related laws, rules, or regulations. A permit  
29 holder shall allow the department to perform an audit of shipping  
30 records upon request.

31     6. A violation of this section shall subject the permittee  
32 to the general penalties provided in this chapter and shall  
33 constitute grounds for imposition of a civil penalty or  
34 suspension or revocation of the permit pursuant to section  
35 123.39.

1 Sec. 10. Section 123.173C, subsection 4, paragraphs b and d,  
2 Code 2025, are amended to read as follows:

3 b. A person, within or outside of the state, who desires to  
4 ship wine from a private collection to a wine auction permittee  
5 to be sold at auction shall do so through a holder of  
6 ~~a wine~~ an alcoholic beverage carrier permit. The wine auction  
7 permittee shall ensure that each bottle of wine so acquired  
8 is permanently affixed with a label stating that the wine was  
9 acquired from a private collection.

10 d. A permittee is responsible for the storage of all wines  
11 that are to be offered at auction at the licensed premises,  
12 and for the subsequent shipment and delivery of all wines sold  
13 at auction to the purchasers of the wines. Shipment of wine  
14 pursuant to this paragraph shall only be done by a holder of a  
15 ~~wine~~ an alcoholic beverage carrier permit.

16 Sec. 11. Section 123.187, subsection 3, paragraph d, Code  
17 2025, is amended to read as follows:

18 d. All containers of wine shipped directly to a resident of  
19 this state shall be shipped by a holder of ~~a wine~~ an alcoholic  
20 beverage carrier permit as provided in section 123.188.

21 Sec. 12. Section 123.188, subsections 1, 2, and 4, Code 2025,  
22 are amended to read as follows:

23 1. A person desiring to deliver beer subject to direct  
24 shipment pursuant to section 123.147, to deliver wine subject to  
25 direct shipment within this state pursuant to section 123.187,  
26 or to deliver wine shipped to or by a wine auction permittee  
27 pursuant to section 123.173C, shall submit an application for a  
28 ~~wine~~ an alcoholic beverage carrier permit electronically, or in a  
29 manner prescribed by the director, which shall be accompanied by  
30 a fee in the amount of one hundred dollars.

31 2. The director may in accordance with this chapter issue a  
32 ~~wine~~ an alcoholic beverage carrier permit which shall be valid  
33 for one year from the date of issuance unless it is sooner  
34 suspended or revoked for a violation of this chapter.

35 4. The delivery of beer or wine pursuant to this section

1 shall be subject to the following requirements and restrictions:

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

6 b. ~~A wine~~ An alcoholic beverage carrier permittee shall  
7 obtain valid proof of identity and age prior to delivery,  
8 and shall obtain the signature of an adult as a condition of  
9 delivery.

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

18 Sec. 13. EFFECTIVE DATE. This Act takes effect January 1,  
19 2026.

20 EXPLANATION

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

23 This bill allows for the direct shipment of beer.

24 New Code section 123.147 provides for the direct shipment of  
25 beer to any person within this state, or from this state to  
26 any person outside the state if also authorized pursuant to the  
27 laws of that jurisdiction, and provides for a beer direct shipper  
28 permit. A class "A" beer permittee who holds a federal brewer's  
29 notice may apply for a beer direct shipper permit. Provisions  
30 governing the direct shipment of wine and the wine direct shipper  
31 permit are generally made applicable to the direct shipment of  
32 beer. Under current law, the wine direct shipper permit under  
33 Code section 123.187 does not authorize the permittee to ship  
34 wine to persons out of state.

35 The bill provides for application requirements and establishes

1 a \$25 annual fee for the permit. The bill also provides that a  
2 permittee under the bill shall pay the barrel tax on beer subject  
3 to direct shipment at the rate specified for beer sold in the  
4 state. Code section 123.135, concerning the barrel tax, and Code  
5 section 123.136, concerning reporting of barrel sales, are made  
6 applicable to beer subject to direct shipment.

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

10 The bill takes effect January 1, 2026.

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