



Terry E. Branstad *Governor of Iowa*
Kim Reynolds *Lieutenant Governor*
Stephen Larson *Administrator*

MEMORANDUM

TO: Iowa General Assembly
FROM: Alcoholic Beverages Division
RE: Personal Importation of Beer and Wine
DATE: February 4, 2016

This bill makes substantive changes to Iowa Code chapter 123 relating to how individuals may import beer and wine that they have legally purchased from retailers outside Iowa when it is for personal use only. The bill establishes the amount of beer and wine that an individual may personally obtain and import into the state without a license or permit on a monthly basis. It also establishes a new Personal Wine Shipment License for individuals of legal age, including military personnel returning to Iowa, who want to import wine that has been legally purchased from retailers outside Iowa on in excess of the previously established allowable monthly amount. Shipments made to licensees would be subject to wine gallonage tax.

WHY THE BILL IS NECESSARY:

Current law does not allow individuals of legal age to transport into Iowa beer or wine that has been personally obtained from a retailer outside of the state. This bill is necessary to authorize the activity and to establish the amount of beer and wine that can be brought into the state by an individual on a monthly basis. This change will enable individuals traveling or living abroad, including active military personnel who are returning to Iowa, to import beer and wine without a license as long as the quantity does not exceed the amount allowed under federal law. (Iowa Code §123.22 makes a similar allowance for importing and possessing alcoholic liquor that has been personally obtained from a retailer outside Iowa.)

Iowa law does not allow retailers in or outside the state to ship wine to resident using a third party shipper. This bill addresses the shipment of wine to residents of Iowa from retailers outside of the state by establishing a Personal Wine Shipment License. With the license, individuals of legal age, including active military who are returning to Iowa, will be able to import higher quantities of wine they have purchased from out-of-state retailers and wine they collected over time. Wine shipped pursuant to the new license is for personal use and cannot be offered for sale.

SECTION BY SECTION OVERVIEW OF THE BILL:

Section 1:

Creates new Iowa Code §123.146 that allows individuals of legal age to personally obtain outside the state and import into the state for personal use up to 2.25 gallons of beer (one standard case) per calendar month. Beer that is obtained outside the United States cannot exceed the amount allowed under federal law for alcoholic beverages imported for personal consumption.

Section 2:

Amends Iowa Code §123.171, Code 2016, to allow individuals of legal age to personally obtain and import into the state for personal use up to 18 liters (2 standard cases) per calendar month. Wine that is obtained outside the United States cannot exceed the amount allowed under federal law for alcoholic beverages imported for personal consumption.

Section 3:

Amends Iowa Code §123.183, subsections 1 and 3 to subject wine imported into Iowa by each holder of a Personal Wine Shipment License to wine gallonage tax of \$1.75 per fluid gallon.

Section 4:

Creates new Iowa Code §123.184, subsection 4, to establish the requirements for reporting and remitting wine gallonage tax owed on wine imported into Iowa by each holder of a Personal Wine Shipment License.

Section 5:

Amends Iowa Code §123.188 to establish a Personal Wine Shipment License for individuals of legal age who wish to import wine in excess of eighteen liters per calendar month. License shall be issued on a twelve month period for a fee of one hundred dollars and may be renewed annually for the same fee. Wine imported by Personal Wine Shipment License holders shall be for personal use only. The wine shall be properly registered with the federal tobacco and tax and trade bureau and shall be obtained from a retailer outside of the state that is authorized by the laws of that jurisdiction to sell wine. The Personal Wine Shipment License shall not be used to ship wine directly from a manufacturer or wholesaler licensed or permitted pursuant to the laws regulating alcoholic beverages in this state or another state. Wine shall be shipped by an alcohol carrier licensed as provided in §123.187(6). Violations are subject to the general penalty provisions of §123.39.

