
BUDGET UNIT BRIEF – FY 2024

Fiscal Services Division

July 1, 2023



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

Barrel Tax Refunds

Purpose

Class "A" beer permit holders are required to pay a barrel tax, in addition to their annual permit fee, on the following:

- All beer manufactured for sale or sold in the State at wholesale.
- All beer imported into the State for sale at wholesale or sold in the State at wholesale.

Special Class "A" beer permit holders are required to pay a barrel tax, in addition to the annual permit fee, on the following:

- All beer manufactured for consumption on the premises.
- All beer sold at retail at the manufacturing premises for consumption off the premises pursuant to Iowa Code section [123.130](#).

The tax is set at \$5.89 for every barrel that contains 31 gallons and is set at the same rate for any other quantity (\$0.19 per gallon). The tax is not collected on beer shipped out of Iowa by Class "A" or Special Class "A" beer permittees.

All revenue collected from the barrel tax accrues to the General Fund.

Refunds

A distributor that pays a handling fee for beverage containers that used to contain beer, including high alcoholic content beer, may claim a refund of the barrel tax established in Iowa Code section [123.136](#) paid by the distributor in the amount of one cent for each eligible beverage container accepted. The Iowa Department of Revenue (IDR) prescribes forms for distributors to use to claim refunds.

Funding

Barrel tax refunds are funded by a standing unlimited General Fund appropriation. The barrel tax refund was established in [2022 Iowa Acts, Senate File 2378](#) (Beverage Container Control, Bottle Bill Act). FY 2023 refunds totaled approximately \$1.5 million.

Related Statutes and Administrative Rules

Iowa Code sections [123.136](#) and [455C.2](#)

Iowa Administrative Code [185](#)

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More Information

Iowa Department of Revenue: tax.iowa.gov

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