

ShipCompliant Wine Direct Shipment Seminar

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Summary of Wisconsin's new law

- 2007 Wisconsin Act 85, effective October 1, 2008, authorizes the direct shipment of wine to individuals of legal drinking age in Wisconsin, for personal use only. The Act repeals the authority for reciprocal wine agreements in place since 1988. As a result, reciprocity agreements with out-of-state wineries and Wine Direct Marketer (WDM) permits are no longer valid October 1, 2008.

What's required to direct ship to Wisconsin?

- A Wine Direct Shipper (WDS) permit (Form AB-123) from the Wisconsin Department of Revenue is required for wineries to ship wine.
- An Alcohol Beverages Tax Bond (Form BT-138)
The security must be twice the permit holder's estimate of the Wisconsin tax liability, minimum of \$1,000, maximum of \$100,000.
- A Wisconsin Seller's Permit obtained through the Business Tax Registration system.

How do I apply?

- To apply for a WDS permit, submit Form AB-123, the Distilled Spirits/Wine Permit, and Form BT-138, the Alcohol Beverages Tax Bond, The forms are available on the department's web site at:
www.revenue.wi.gov/forms/excise/ab-123.pdf.

www.revenue.wi.gov/forms/excise/bt-138.pdf.

Completed forms should be sent to:
Wisconsin Department of Revenue
Mail Stop 5-107
PO Box 8900
Madison, WI 53708-8900

- Online Business Tax Registration available on the Revenue website at:
<https://ww2.revenue.wi.gov/GenericFile/application?interview=1232807>

What are the fees?

- The fee for a WDS permit is \$200.00 for a term of two years.
- The initial BTR fee is \$20, also for a period of two years. There is a \$10 renewal fee.
- DOR will send the BTR renewal notice when permits or certificates approach their expiration date.
- Expiration date will vary from taxpayer to taxpayer.
- By statute, permit fees are not refundable and cannot be prorated.

Who may apply?

- A WDS permit may be issued to any person that manufactures and bottles wine on premises covered by any of the following:
 - A Wisconsin winery permit (WWI).
 - Wisconsin manufacturer (WM) or rectifier permit (WR).
 - A current winery license, permit or authorization issued by the state from which the winery will be shipping wine.
 - A Federal Basic Winery Permit.

What's required after I obtain the permit?

- WDS permit-holders must file quarterly liquor tax returns (Form AB- 130)with Excise tax payment, and report on the name, address, and birthdate of each person who purchased wine, and the name of the person of legal drinking age who acknowledges delivery of the wine. Form AB-135. Returns are due 15 days after the close of the filing period. First return covering the 4thQ, October-December, 2008 sales, is due Jan. 15, 2009.
- Free electronic filing available using the Liquor Tax Free File system on the Revenue web site at: <https://ww2.revenue.wi.gov/GenericFile/application?interview=1256180>
- Payment of (5%) Wisconsin state sales or use tax on all shipments of wine into Wisconsin, local taxes may also apply. Sales tax returns are due monthly, quarterly or annually depending on tax liability. Filing frequency will be determined at the time of registration. Free electronic filing available through the Sales Internet Process (SIP). See the Revenue web site at: <https://www.salestax.revenue.wi.gov/sec/logon.asp>
- See Revenue website for sales tax rates by county. www.revenue.wi.gov/faqs/pcs/taxrates.html#txrate4

Labeling requirements?

- Containers of wine shipped to individuals in Wisconsin must be clearly labeled to indicate the package may not be delivered to an underage person or to an intoxicated person.

Any other restrictions?

- Wine direct shipments may not be resold, or used for commercial purposes.
- No individual may receive more than **108 liters** of wine annually by means of direct shipment.
- Each individual is responsible for compliance with this annual limit.

The Small Winery Cooperative Wholesaler

- Act 85 provides that “small wineries” may form a small winery cooperative wholesaler for the purpose of sale and distribution of wine manufactured and bottled by cooperative members.
- “Small winery” defined as winery that produces and bottles less than 25,000 gallons annually.
- Department of Revenue is authorized to issue up to 6 wholesaler permits to cooperative wholesalers. No new permits to be issued after Dec. 31, 2008.

Additional Information

- For a copy of 2007 Wisconsin Act 85 go to:
www.legis.state.wi.us/2007/data/acts/07Act85.pdf
- Publication AB-103 “Alcohol Beverage Tax Information” on the Revenue website at:
www.revenue.wi.gov/html/taxpubs.html#excise
- Publication 201 “Wisconsin Sales and Use Tax Information” on the web at:
www.revenue.wi.gov/pubs/pb201.pdf
- DOR Liquor Tax FAQs: www.revenue.wi.gov/faqs/ise/liquor.html
- Wisconsin Department of Revenue
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