

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

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Federal tied-house law appears to prohibit a person engaged in the business of producing wine from holding a retail wine license, unless the producer owns the retailer outright. See 27 CFR 6.21.

The federal special (occupational) tax on commercial wine production is set forth in 27 CFR 24.50, with an exception at 27 CFR 24.52. A person considering the commercial production of wine might want to contact the federal Bureau of Alcohol, Tobacco and Firearms to determine whether this tax or exception applies.

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