



## 2015 SENATE BILL 169

May 21, 2015 – Introduced by Senator FARROW, cosponsored by Representatives MURTHA and TAUCHEN. Referred to Committee on Revenue, Financial Institutions, and Rural Issues.

1     **AN ACT to repeal** 139.06 (4); **to renumber and amend** 139.06 (1) (b); and **to**  
2             **create** 139.01 (2t) and 139.06 (1) (b) 2. to 4. of the statutes; **relating to:** the tax  
3             on intoxicating liquor.

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### *Analysis by the Legislative Reference Bureau*

Under current law, the state imposes an occupational tax on selling intoxicating liquor in this state. Liability for the tax is incurred, generally, by a shipper when the liquor is shipped into this state, except that liability on liquor produced or bottled in this state or imported directly from a foreign country into this state by a person holding a Wisconsin permit is incurred at the time of first sale.

Under this bill, the liability for the tax imposed on intoxicating liquor is incurred:

1. By a shipper when the liquor is shipped into this state.
2. By a person holding a Wisconsin permit when the liquor is received into this state or removed from a federal bonded premise, whichever is later, if it is imported directly from a foreign country into this state by a Wisconsin permittee.
3. By a Wisconsin winery, manufacturer, or rectifier when intoxicating liquor is removed from a federal bonded premise, if it is produced, bottled, manufactured, or rectified in this state by a Wisconsin winery, manufacturer, or rectifier.
4. By a Wisconsin rectifier at the time of first sale, if the rectifier had more than 50 percent of its previous calendar year's sales of intoxicating liquor sold outside Wisconsin.

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The bill defines “first sale” as the first sale of finished, nonbulk, intoxicating liquor, packaged in containers suitable for sale to consumers or to retailers or other persons holding valid permits.

Under current law, when intoxicating liquor is stored in an alcohol beverage warehouse by a manufacturer or rectifier as a pledge, it is not necessary to affix front labels to the containers until the liquor is sold or removed from the warehouse. When it becomes necessary for a pledgee to sell the liquor in good faith pursuant to the terms of the pledge, it must be sold to a manufacturer, rectifier, or wholesaler for the purpose of affixing front labels to the containers. The sales are then reported to the Department of Revenue.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           **SECTION 1.** 139.01 (2t) of the statutes is created to read:

2           139.01 (2t) “First sale” means the first sale of finished, nonbulk, intoxicating  
3 liquor, packaged in containers suitable for sale to consumers or to retailers or other  
4 permittees.

5           **SECTION 2.** 139.06 (1) (b) of the statutes is renumbered 139.06 (1) (b) (intro.)  
6 and amended to read:

7           139.06 (1) (b) (intro.) Liability for taxes at the rates under s. 139.03 (2m) on  
8 intoxicating liquor is incurred by:

9           1. ~~By a shipper when intoxicating liquor is shipped into this state, except that~~  
10 ~~liability on liquor produced or bottled in this state or imported directly from a foreign~~  
11 ~~country into this state by a Wisconsin permittee is incurred at the time of the first~~  
12 ~~sale in this state and except that liability for liquor under sub. (3) or (4) is incurred~~  
13 ~~when a Wisconsin permittee receives that liquor.~~

14           **SECTION 3.** 139.06 (1) (b) 2. to 4. of the statutes are created to read:

