
HOUSE BILL No. 1528

DIGEST OF INTRODUCED BILL

Citations Affected: IC 7.1-3-25; IC 7.1-4; IC 7.1-5-11-1.5.

Synopsis: Direct shipment of wine. Provides that a primary source of supply that is located outside Indiana may make a direct shipment of wine to a person in Indiana who holds a wine connoisseur's permit if the state where the primary source of supply is located allows an Indiana primary source of supply to ship wine directly to a consumer in that state. Requires the holder of a wine connoisseur's permit to pay the excise tax on wine received by direct shipment.

Effective: July 1, 2003.

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January 16, 2003, read first time and referred to Committee on Public Policy, Ethics and Veterans Affairs.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

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HOUSE BILL No. 1528



A BILL FOR AN ACT to amend the Indiana Code concerning alcoholic beverages and tobacco.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 7.1-3-25 IS ADDED TO THE INDIANA CODE
- 2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 2003]:
- 4 **Chapter 25. Wine Connoisseur's Permit**
- 5 **Sec. 1. A primary source of supply that is located outside**
- 6 **Indiana may ship, transport, or consign not more than twenty-four**
- 7 **(24) bottles of wine each month to a person in Indiana if the**
- 8 **following requirements are met:**
- 9 **(1) The person who orders and receives the direct wine**
- 10 **shipment:**
- 11 **(A) holds a wine connoisseur's permit under this chapter;**
- 12 **and**
- 13 **(B) is at least twenty-one (21) years of age.**
- 14 **(2) The law of the state where the primary source of supply is**
- 15 **located allows an Indiana primary source of supply to ship**
- 16 **wine directly to a consumer located in that state.**
- 17 **Sec. 2. A person who holds a wine connoisseur's permit may**



1 order or purchase wine in person, by mail, facsimile transmission
2 (fax), telephone, computer network (as defined in IC 35-43-2-3(a)),
3 or other device.

4 **Sec. 3.** The holder of a wine connoisseur's permit may receive
5 direct shipments of wine only for personal use and not for resale.

6 **Sec. 4. (a)** A person must submit an application to the
7 commission for a wine connoisseur's permit on a form prescribed
8 by the commission. The application must contain the following
9 information:

10 (1) The name of the applicant.

11 (2) The applicant's home or business address.

12 (3) Proof that the applicant is at least twenty-one (21) years of
13 age.

14 (4) Any other information required by the commission.

15 (b) A registration fee of twenty-five dollars (\$25) shall be
16 submitted to the commission with the application.

17 **Sec. 5.** A wine connoisseur's permit remains in effect for one (1)
18 calendar year, including the day the permit is granted as set forth
19 in IC 7.1-3-1-3.

20 **Sec. 6.** A holder of a wine connoisseur's permit may annually
21 renew the permit by submitting the following to the commission:

22 (1) An application for renewal on a form prescribed by the
23 commission.

24 (2) A renewal fee of fifteen dollars (\$15).

25 **Sec. 7. (a)** The holder of a wine connoisseur's permit shall
26 annually report to the department of state revenue the dollar
27 amount of any wine purchases made under this chapter that were
28 shipped into Indiana from outside Indiana.

29 (b) The holder of the wine connoisseur's permit shall pay the
30 wine excise tax on the purchases reported under subsection (a).

31 **Sec. 8.** A primary source of supply who makes a direct shipment
32 to a person holding a wine connoisseur's permit under this chapter
33 shall ensure that a container of wine shipped directly to a resident
34 in Indiana is conspicuously labeled with the words: "CONTAINS
35 ALCOHOL: SIGNATURE OF PERSON AGE 21 OR OLDER
36 REQUIRED FOR DELIVERY."

37 **Sec. 9.** A person who violates this chapter is subject to the
38 penalties set forth in IC 7.1-5-11.

39 **Sec. 10.** The commission may revoke a wine connoisseur's
40 permit for the failure to pay the excise taxes when required to do
41 so by this title. The action of the commission is final.

42 **Sec. 11.** The commission may adopt rules under IC 4-22-2 to

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1 **implement this chapter.**

2 SECTION 2. IC 7.1-4-4-3, AS AMENDED BY P.L.201-1999,
3 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2003]: Sec. 3. ~~Persons Liable for Tax~~: The wine excise tax
5 shall be paid by the holder of a vintner's permit, a farm winery permit,
6 a wine wholesaler's permit, a dining car wine permit, ~~or~~ a boat wine
7 permit, **or a wine connoisseur's permit** on the alcoholic beverage to
8 which the tax is applicable and which has been manufactured or
9 imported by ~~him~~ **the permit holder** into this state. However, the same
10 article shall be taxed only once for wine excise tax purposes.

11 SECTION 3. IC 7.1-4-6-1 IS AMENDED TO READ AS
12 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. ~~Power of~~
13 ~~Commission and Department~~: The chairman and the department shall
14 have the power to examine the books, papers, records, and premises of
15 a manufacturer, wholesaler, retailer, ~~or~~ dealer, **or holder of a wine**
16 **connoisseur's permit** under this title for the purpose of determining
17 whether the excise taxes imposed by this title have been paid fully and
18 whether the provisions of the title are being complied with.

19 SECTION 4. IC 7.1-4-7-1, AS AMENDED BY P.L.235-2001,
20 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
21 JULY 1, 2003]: Sec. 1. ~~Collection of Annual License Fees~~: The
22 chairman shall collect the required annual license fee paid in
23 connection with the issuance of a brewer's permit, a beer wholesaler's
24 permit, a temporary beer permit, a dining car permit of any type, a boat
25 permit of any type, a distiller's permit, a rectifier's permit, a liquor
26 wholesaler's permit, a vintner's permit, a farm winery permit, a farm
27 winery brandy distiller's permit, a wine wholesaler's permit, **a wine**
28 **connoisseur's permit**, a wine bottler's permit, a temporary wine
29 permit, a salesman's permit, and a carrier's alcoholic permit.

30 SECTION 5. IC 7.1-5-11-1.5 IS AMENDED TO READ AS
31 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1.5. (a) It is unlawful
32 for a person in the business of selling alcoholic beverages in another
33 state or country to ship or cause to be shipped:

- 34 (1) an alcoholic beverage directly to an Indiana resident who does
35 not hold a valid wholesaler permit under this title; **or**
36 (2) **wine directly to an Indiana resident who does not hold a**
37 **wine connoisseur's permit under IC 7.1-3-25.**

38 This includes the ordering and selling of alcoholic beverages over a
39 computer network (as defined by IC 35-43-2-3(a)).

40 (b) Upon a determination by the commission that a person has
41 violated subsection (a), a wholesaler may not accept a shipment of
42 alcoholic beverages from the person for a period of up to one (1) year

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1 as determined by the commission.
2 (c) The commission shall adopt rules under IC 4-22-2 to implement
3 this section.

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