

Sixty-second  
Legislative Assembly  
of North Dakota

**HOUSE BILL NO. 1339**

Introduced by

Representatives Ruby, Boehning, Headland, Streyle

Senators Grindberg, Hogue

1 A BILL for an Act to create and enact a new section to chapter 5-01 of the North Dakota Century  
2 Code, relating to domestic brewery licenses; and to amend and reenact section 5-03-07 of the  
3 North Dakota Century Code, relating to taxes on alcohol.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. AMENDMENT.** A new section to chapter 5-01 of the North Dakota Century  
6 Code is created and enacted as follows:

7 **Domestic brewery license.**

- 8 1. The tax commissioner may issue a domestic brewery license to the owner or operator  
9 of a brewery located within this state to produce beer. A domestic brewery license may  
10 be issued and renewed for an annual fee of one hundred dollars, which is in lieu of all  
11 other license fees required by this title.
- 12 2. A domestic brewery may sell beer produced at that brewery at on sale or off sale, in  
13 retail lots, and not for resale, and may sell or ship its beer to persons inside or outside  
14 of the state in a manner consistent with the laws of the place of sale or delivery in total  
15 quantities not in excess of twenty-five thousand gallons [94625 liters] in a calender  
16 year; glassware; beer literature and accessories; and snack food items. A licensee  
17 may dispense free samples of beer offered for sale. Subject to local ordinance, sales  
18 at on sale and off sale may be made on Sundays between twelve noon and twelve  
19 midnight. The tax commissioner may issue special event permits for not more than  
20 twenty days per calendar year to a domestic brewery allowing the brewery, subject to  
21 local ordinance, to give free samples of its beer and to sell its beer by the glass or in  
22 closed containers, at a designated trade show, convention, festival, or a similar event  
23 approved by the tax commissioner. A domestic brewery may not engage in any  
24 wholesaling activities. All sales and deliveries of beer to any other retail license

premises in this state may be made only through a licensed North Dakota liquor wholesaler. For any month in which a domestic brewery has made sales to a North Dakota wholesaler, that domestic brewery shall file a report with the tax commissioner no later than the last day of each calendar month reporting sales made during the preceding calendar month. When the last day of the calendar month falls on a Saturday, Sunday, or legal holiday, the due date is the first working day after that day.

3. A domestic brewery may obtain a retail license allowing on-premises sales of alcoholic beverages at a restaurant owned by the licensee and located on property contiguous with the brewery.

4. A domestic brewery is subject to section 5-03-06 and shall report and pay annually to the tax commissioner the wholesaler taxes due on all beer sold by the licensee at retail, including all beer shipped directly to consumers as set forth in sections 5-03-07 and 57-39.6-02. The annual wholesaler tax reports are due January fifteenth of the year following the year sales were made. When the fifteenth of January falls on a Saturday, Sunday, or legal holiday, the due date is the first working day after that day. The report must provide the detail and be in a format as prescribed by the tax commissioner. The tax commissioner may require that the report be submitted in an electronic format approved by the state tax commissioner.

**SECTION 2. AMENDMENT.** Section 5-03-07 of the North Dakota Century Code is amended and reenacted as follows:

**5-03-07. Imposition of tax - Rate.**

A tax is hereby imposed upon all alcoholic beverage wholesalers, domestic wineries, domestic distilleries, microbrew pubs, domestic brewers, and direct shippers for the privilege of doing business in this state. The amount of this tax shall be determined by the gallonage according to the following schedule:

Beer in bulk containers - per wine gallon	\$.08 (.021 per liter)
Beer in bottles and cans - per wine gallon	.16 (.042 per liter)
Wine, including sparkling wine, containing less than 17% alcohol by volume - per wine gallon	.50 (.132 per liter)
Wine containing 17%-24% alcohol by	

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1	volume - per wine gallon	.60 (.159 per liter)
2	Distilled spirits - per wine gallon	2.50 (.66 per liter)
3	Alcohol - per wine gallon	4.05 (1.07 per liter)