

SENATE BILL No. 109

DIGEST OF INTRODUCED BILL

Citations Affected: IC 7.1-3-27.

Synopsis: Artisan distillers. Increases the number of gallons of liquor an artisan distiller may produce in a calendar year from 20,000 gallons to 40,000 gallons. Allows the holder of an artisan distiller's permit to manufacture liquor for another holder of an artisan distiller's permit if certain conditions are met.

Effective: July 1, 2025.

Alting, Walker K

January 8, 2025, read first time and referred to Committee on Public Policy.



First Regular Session of the 124th General Assembly (2025)

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 2024 Regular Session of the General Assembly.

SENATE BILL No. 109



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

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

1 SECTION 1. IC 7.1-3-27-3, AS AMENDED BY P.L.220-2023,
2 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2025]: Sec. 3. (a) An artisan distiller may produce not more
4 than ~~twenty thousand (20,000)~~ **forty thousand (40,000)** gallons of
5 liquor in any calendar year. Liquor produced by an artisan distiller that
6 is sold through a wholesaler licensed under IC 7.1-3-8 may not be
7 counted toward the gallonage limit.
8 (b) An artisan distiller who knowingly or intentionally violates this
9 section commits a Class B misdemeanor.

10 SECTION 2. IC 7.1-3-27-8, AS AMENDED BY P.L.194-2021,
11 SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
12 JULY 1, 2025]: Sec. 8. (a) The holder of an artisan distiller's permit
13 may do only the following:
14 (1) Manufacture liquor, including blending liquor purchased from
15 another manufacturer with liquor the artisan distiller
16 manufactures under section 11 of this chapter.
17 (2) Bottle liquor manufactured by the artisan distiller.



- 1 (3) Insert liquor manufactured by the artisan distiller into a
 2 container.
- 3 (4) Store liquor manufactured by the artisan distiller, including at
 4 a facility located within ten (10) miles of the artisan distiller's
 5 distillery.
- 6 (5) Transport, sell, and deliver liquor manufactured by the artisan
 7 distiller to:
- 8 (A) places outside Indiana; or
 9 (B) the holder of a liquor wholesaler's permit under IC 7.1-3-8.
- 10 (6) Sell liquor manufactured by the artisan distiller to consumers
 11 by the drink, bottle, container, or case from the licensed premises
 12 of the distillery where the liquor was manufactured.
 13 Notwithstanding IC 7.1-1-3-20, the licensed premises may
 14 include the distillery parking lot or an area adjacent to the artisan
 15 distillery. The parking lot or adjacent area may only be used for
 16 the purpose of conveying alcoholic beverages and other
 17 nonalcoholic items to a customer subject to section 8.1 of this
 18 chapter and may not be used for point of sale purposes or any
 19 other purpose.
- 20 (7) Serve complimentary samples of the liquor manufactured by
 21 the artisan distiller to consumers on the premises of the distillery
 22 where the liquor was manufactured.
- 23 (8) Sell liquor as authorized by this section for carryout on
 24 Sunday in a quantity at any one (1) time of not more than four and
 25 five-tenths (4.5) liters.
- 26 (9) With the approval of the commission, participate:
- 27 (A) individually; or
 28 (B) with other permit holders under this chapter, holders of
 29 farm winery permits, holders of brewer's permits issued under
 30 IC 7.1-3-2-2(b), or any combination of holders described in
 31 this clause;
- 32 in a trade show or an exposition at which products of each permit
 33 holder participant are displayed, promoted, and sold. All of the
 34 permit holders may occupy the same tent, structure, or building.
 35 The commission may not grant to a holder of a permit under this
 36 chapter approval under this subdivision to participate in a trade
 37 show or exposition for more than ~~forty-five (45)~~ **sixty (60)** days
 38 in a calendar year.
- 39 (10) Be the proprietor of a restaurant that is not subject to the
 40 minimum gross food sales or the minimum projected food sales
 41 set forth in 905 IAC 1-41-2 and the gross retail income
 42 requirements to sell carryout under IC 7.1-3-20-9.5. A holder is



1 entitled to conduct the following activities:

2 (A) Hold a beer retailer's permit, a wine retailer's permit, or a
3 liquor retailer's permit for a restaurant.

4 (B) Transfer liquor directly from the artisan distillery to a
5 restaurant that the artisan distiller has an interest in by means
6 of:

7 (i) bottles;

8 (ii) bulk containers; or

9 (iii) a continuous flow system.

10 (C) Install a window between the artisan distillery and an
11 adjacent restaurant that allows the public and the holder of the
12 permit to view both premises.

13 (D) Install a doorway or other opening between the artisan
14 distillery and an adjacent restaurant that provides the public
15 and the holder of the permit with access to both the artisan
16 distillery and restaurant.

17 (11) A holder that does not distribute through an Indiana liquor
18 wholesaler is entitled under the artisan distiller's permit to sell and
19 deliver to a person holding a liquor retailer or liquor dealer permit
20 under this title a total of not more than ~~one thousand (1,000)~~ **two**
21 **thousand (2,000)** gallons of the artisan distillery's liquor in a
22 calendar year, if the artisan distiller has not sold in Indiana more
23 than ~~nine thousand (9,000)~~ **ten thousand (10,000)** gallons the
24 previous calendar year. A holder that sells and delivers under this
25 subdivision shall comply with all provisions applicable to a
26 wholesaler in 905 IAC 1-5.1, 905 IAC 1-5.2, 905 IAC 1-21, 905
27 IAC 1-31, and 905 IAC 1-32.1.

28 (12) A holder must annually submit to the commission copies of
29 its Indiana and federal excise tax returns.

30 **(13) Manufacture liquor at the licensed premises for another**
31 **holder of an artisan distiller's permit. Upon completion of the**
32 **manufacturing of the liquor for another permit holder under**
33 **this subdivision, the product must be transported to the**
34 **permit holder for which the liquor was manufactured. To**
35 **qualify under this subdivision:**

36 **(A) the permit holder for which the liquor is manufactured**
37 **must have manufactured not less than forty (40) gallons of**
38 **liquor produced from raw materials at the permit holder's**
39 **licensed premises in the previous calendar year; and**

40 **(B) the total number of gallons of liquor that a permit**
41 **holder manufactures under this subdivision may not**
42 **exceed the number of gallons of liquor the permit holder**



- 1 **produced from raw materials at the permit holder's**
2 **licensed premises in the same calendar year.**
3 **All records required by the federal Alcohol and Tobacco Tax**
4 **and Trade Bureau regarding the number of gallons of liquor**
5 **produced from raw materials at the licensed premises of a**
6 **permit holder must be available to the commission upon**
7 **request. The activity under this subdivision is not an interest**
8 **under IC 7.1-5-9.**
- 9 (b) The holder of an artisan distiller's permit who provides samples
10 or sells liquor by the glass must furnish the minimum food
11 requirements prescribed by the commission.
- 12 (c) A storage facility used by an artisan distiller under subsection
13 (a)(4) must conform with federal laws, rules, and regulations. An
14 artisan distiller may transfer liquor from a separate storage facility back
15 to the artisan distillery. An artisan distiller may sell or transfer liquor
16 directly to a liquor wholesaler from a storage facility that is separate
17 from the artisan distillery. An artisan distiller may not sell or transfer
18 liquor from a storage facility to any other permittee or a consumer. The
19 artisan distiller shall maintain an adequate written record of the liquor
20 transferred:
- 21 (1) between the artisan distillery and the storage facility; and
22 (2) from the storage facility to the liquor wholesaler.
- 23 (d) The holder of an artisan distiller's permit may transport liquor to
24 and from a brewery located within the same county for the purposes of
25 carbonating and canning by the brewery. The activity under this
26 subsection is not an interest under IC 7.1-5-9.
- 27 (e) An artisan distiller who knowingly or intentionally violates this
28 section commits a Class B misdemeanor.

