

## AGENCY

The Iowa Department of Revenue (Department) is responsible for administering and enforcing the laws of Iowa concerning alcoholic beverage control.

The Alcohol and Tax Operations Division within the Department is responsible for licensing alcoholic beverage importers, manufacturers, wholesalers, and retailers. The division also manages the listing, warehousing, and delivery of alcoholic liquor products sold by the Department.

The Iowa Alcoholic Beverages Commission is a five-member body appointed by the Governor and subject to confirmation by the Senate. The Commission acts as a policy-making body and serves in an advisory capacity to the Department director.

[State of Iowa](#)  
 Department of Revenue

## WET and DRY COUNTIES

State law prohibits dry localities.

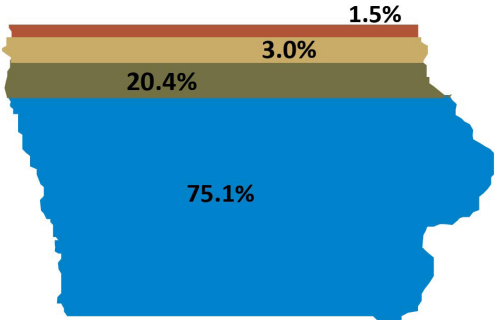
All counties are wet.

Population 21 and over - July 2021  
 (Census.gov) **2,318,479**

## NET REVENUE

Revenue from alcoholic beverages licensing, taxes, and sale of alcoholic liquor by the Department supports:

- General Fund \$119,250,000 (75.1%)
- Iowa Dept. of Health & Human Svcs. \$32,367,687 (20.4%)
- State Aid to Cities and Counties \$4,699,216 (3.0%)
- Iowa Economic Development Authority \$2,390,316 (1.5%)



**\$480,805,599**  
 FY 2023 Gross Revenue

Figures are from FY2023

## HISTORY

In 1934, with the enactment of the Iowa Liquor Control Act, Iowa became one of the first control states. The state regulates the traffic in alcoholic liquors for the protection of the welfare, health, peace, morals, and safety of the people of the state.

In 1985, the state exited its role as sole wholesaler and retailer of wine, paving the way for private sector businesses to enter the marketplace. In 1987, further government reorganization removed the state from the retail tier for alcoholic liquor. Today, the state retains control of the wholesale distribution of alcoholic liquor in Iowa.

## ENFORCEMENT

The Department is responsible for the licensing and permitting of alcoholic beverages retailers, wholesalers, manufacturers, importers and brokers. It is responsible for licensee compliance with alcohol laws, but does not have police powers for enforcement.

The Iowa Program for Alcohol Compliance Training (I-PACT) provides licensees with the necessary resources and knowledge to be successful in their business operations and to establish and maintain an excellent record of compliance.

## DISTRIBUTION

The Department warehouses and distributes more than 2,800 different alcoholic liquor products to more than 2,000 customers throughout the state. All customers are treated equally with regard to product price and delivery, regardless of the quantity purchased or the location of the customer. There are minimum order requirements.

The Department has a public-private partnership with Des Moines-based logistics provider Ruan Transportation Management Systems for the warehousing and distribution of alcoholic liquor

Does jurisdiction allow direct shipping of wine?



## OUTLETS AND GROCERY STORES

The Department controls the importation and wholesale distribution of alcoholic liquor in the state of Iowa. The Department delivers to more than 2,000 private sector package stores selling alcoholic liquor.

- There is no limit on the number of retail alcohol licenses (on- or off-premises) that can be issued in Iowa.
- The off-premises sale of beer, wine, and alcoholic liquor is allowed in grocery stores, convenience stores, and liquor stores.
- Sunday sales are allowed.
- Keg registration is required.
- Beverage service training is voluntary in the state.

## IOWA DEPARTMENT OF REVENUE IN ACTION



On July 1, 2023, state government alignment legislation became effective and reduced the number of cabinet-level agencies in Iowa from 37 to 16. The former Iowa Alcoholic Beverages Division was integrated into the Iowa Department of Revenue, which became responsible for administering and enforcing Iowa's alcohol laws. The newly aligned Iowa Department of Revenue is working to identify ways to leverage shared services, improve efficiency, decrease cost, and better serve the Department's stakeholders.

## DEFINITIONS

Control systems -- jurisdictions that directly control the distribution and sale of beverage alcohol in their borders.

Three-tier system -- the method of alcohol distribution developed after Prohibition in the United States. Producers/manufacturers (first tier) can sell products only to wholesalers/distributors (second tier) who then sell to retailers (third tier).

Revenue Per Capita -- revenue per person.

Wet and dry counties -- Wet jurisdictions are those that permit the sale of spirits, wine, or beer for on-premise and off-premise consumption. Dry jurisdictions prohibit some or all alcohol sales, whether on- or off-premise.

Sources: 2018 Survey Database, Alcohol Beverages Revenues & Taxes 2020 Report (June 2022), The Iowa Department of Revenue, Alcohol Policy Information System (APIS), Census.gov

