

The Domestic Distillery License



What is a domestic distillery license?
How do I get one?
What can I do with it?



ALCOHOLIC
BEVERAGE
CONTROL
DIVISION
MONTANA



MONTANA
DEPARTMENT OF
REVENUE

What is a domestic distillery license?

A domestic distillery is a distillery located in Montana. This license allows the manufacturer to legally import, manufacture, distill, rectify, blend, denature, and store spirits of an alcoholic content greater than 0.5 percent alcohol by volume for sale to ABCD or, in some cases, sell liquor out of Montana for sale in another state. It may also allow some distilleries to provide samples of spirits they produce for consumption on their premises with or without charge with an approved sample room.

Montana recognizes two types of distilleries. The term distillery means both a distillery and a microdistillery throughout the rest of this booklet:

1. Distilleries that produce 200,000 proof gallons or less annually within the state of Montana (**Microdistillery**).
2. Distilleries that produce over 200,000 proof gallons annually within the state of Montana (**Distillery**).

Any domestic distillery licensed in the state may own, lease, maintain, and operate a department-approved storage depot in any city or town in Montana. Distilleries may use the depots for receiving, handling, storing, selling, and distributing distilled spirits they produce. They may not use storage depots for manufacturing or consumption.

Where do I start?

A distillery license may be applied for directly from the Department of Revenue (DOR) Alcoholic Beverage Control Division (ABCD) and does not need to be purchased from an existing licensee unless you are buying the business and the distilled spirits inventory.

You may apply electronically through [TAP](#).

What are the associated costs?

- One-time distillery license processing fee: **\$200**.
- New domestic distillery license fee: **\$500**.
- One-time domestic distillery storage depot license processing fee (per storage depot): **\$100**, if needed.
- New domestic distillery storage depot license (per storage depot): **\$400**.
- Fingerprint card fee for each individual with 15% or more ownership interest in the business: **\$30 each**. Price subject to change.



What do I need to apply?

When applying for a domestic distillery license, you need to provide the following general information:

- A completed application for a domestic distillery license.
- Alcohol and Tobacco Tax and Trade Bureau (TTB) Federal Basic Permit to manufacture distilled spirits.
- [Temporary Operating Authority \(TOA\)](#) request, if applicable (for a maximum of 180 days).
- **Labels:** Certificate of label approvals (COLA) from the TTB and the ABCD are required for all distilled spirits products in Montana for each brand and variety of distilled spirits to be manufactured.
 - TTB label approvals will not delay the processing of your application. However, your products may NOT be sold/distributed in Montana without label approvals.
 - More information regarding TTB COLA can be found at www.TTB.gov.
- A completed [ABCD Authorization to Disclose Tax Information Form](#) for each individual with ownership over 15% and each entity for the purchaser of the license.
- A floor plan that includes, but is not limited to the following: the business name, physical address, license number (if known), alcohol storage area(s), drive-through window (if applicable), sample room (if applicable), manufacturing area, external dimensions, entryways and any patio or deck area (if applicable). Do not send in the original blueprints or architect drawings, and only submit an 8 ½" x 11" size copy of the floor plan. See the [Floor Plan Fact Sheet](#) for more details.



When applying for a domestic distillery license, provide the following financial information showing the “intent to purchase” the alcoholic beverage license, inventory, and building, if applicable:

NOTE: DO NOT exchange funds for the alcohol beverage license [if applicable] beyond earnest money 5 percent of the license price without prior ABCD TA or license approval.

- Copies of any loan agreements, contracts, notes, and all related security agreements, guarantees, and trust indentures.
- If funds come from somewhere other than a loan provide the last 6 months of bank statements from the bank account you are using to pay for the alcoholic beverage license, building, and/or start-up operating funds for the business.
- Other sources of funding:



- File the [Non-Institutional Loan \(NIL\) Form](#) with the application if any lenders or other sources of financing are not state or federally-regulated financial institutions, including gifting statements.
- [Personal Criminal History Statement Form](#) for each NIL. Two fingerprint cards and fees for each NIL.
- Copies of lease, rent, purchase options, financing agreements, or other evidence showing possessory interest in the building.
- Financial statements, such as a balance sheet, income statement, or tax return for the business. If it is a new business projected balance sheet and income statements are acceptable.
- Copy of business's bank signature card.
- Purchase/transfer documents for the alcoholic beverage license, such as a buy/sell agreement, contract for deed, warranty deed, and bill of sale, if applicable.

When applying for a distillery license, provide the following ownership information (based on entity type applying), including:

- Copy of partnership agreement documentation.
- Copy of articles of incorporation and amendments or addenda.
- Copy of bylaws and amendments or addenda.
- Copy of certificate of fact (for LLCs and LLPs).
- LLC organizational information.
- Copy of stock certificates, corporate minutes, and attachments.
- Stock ledger or register.
- Copy of certificate of existence (for in-state corporations).
- Copy of authority to conduct business in Montana (for

out-of-state corporations).

- Copy of documentation from the Secretary of State verifying approved assumed business name (ABN).
- Copy of federal employer identification number (FEIN) verification from IRS.
- Completed [Personal Criminal History Statement Form](#) for each individual with 15% or more ownership interest in the business. Two fingerprint cards and fees for each individual with 15% or more ownership interest in the business.



When applying for a distillery license, provide the following management information, including:

- [Location Manager Form](#) (if someone other than an owner over 15% is managing the business).
- [Personal Criminal History Statement Form](#) for each location manager.
- Two fingerprint cards and fees for each location manager.



What are the steps in the application process?

- The application process takes on average 90 days and begins when ABCD receives a complete application package and all supporting documents.
- Application is then reviewed by the ABCD.
- Applicant will receive a letter requesting any additional documents, if needed.
- When all required documents are received, ABCD notifies local agencies with jurisdiction over the area of the application in process.



- Prior to final approval of any new location, it is the responsibility of the applicant to contact local building, health, and fire code officials to schedule inspections. ABCD may not approve an application until:

- Local officials have given notice that the licensed premises meet their requirements.
- A background check of the applicants(s) and a premises inspection have been completed for ABCD to determine if the applicant(s) and location meet suitability requirements.
- After the completion of the audit and investigation, ABCD conducts a final review of the application. If necessary, any additional or closing documents may be requested.
- Final approval is granted when the licensing specialist receives all finalized documents, inspections, and any outstanding issues or violations (if any) have been resolved.

What are the steps in getting distilled products approved?

NOTE: This **MUST** occur **BEFORE** selling distilled spirits in the state. This includes products sold in your approved sample room.

- You must complete the [Standard Quotation and Specification Form](#) for each of the products you wish to sell in Montana.
- **ABCD** uses the information supplied on the specification form to determine the posted price of each product. Includes the following:
 - Markup
 - Excise tax
 - License tax
- Product packaging must be approved before selling distilled spirits products in Montana. This includes products sold in your approved sample room.
- Disclose the percentage of alcohol for each proof gallon of each product distilled at the distillery.

- Final products distilled at the premises and mixed with a purchased bulk spirit must be disclosed to ABCD.
- Questions on any of the above information email the ABCD Liquor Distribution Bureau at DORLiquorDist@mt.gov.



What taxes does a distillery pay?

All Montana distilleries must file a monthly Excise and License Tax Return. Microdistilleries are required to electronically file their tax return on or before the 15th day of each month for liquor sold during the previous month.

A distillery pays an excise tax on products sold from its tasting room. Distilleries do not pay tax on products sold to the state

for distribution to agency liquor stores.

The license and excise taxes for products are based on the proof gallons manufactured, distilled, rectified, bottled, processed, and sold nationwide in the previous calendar year and collected per bottle. You may calculate prices using one of the calculators in our [TransAction Portal](#).

<i>License Tax</i>	
Production (Proof Gallons)	Tax Rate
Less than 50,000	2%
50,000 - 200,000	8.6%
More than 200,000	10%

<i>Excise Tax</i>	
Production (Proof Gallons)	Tax Rate
Less than 20,000	3%
20,000 - 50,000	8%
50,001 – 200,000	13.8%
More than 200,000	16%

If a distillery did not file a return for a month, generally that period would be estimated and assessed. However, the distillery may provide information showing their tax liability was under \$10 for the month.

Need help filing any of these forms? Call the ABCD Liquor Auditor at (406) 444-2909 or email ABCD at DORLiquorDist@mt.gov.

What are the rules for a distillery license?

- All licensees, their agents, and employees must conduct the licensed premises in compliance with all:
 - o Alcohol-related provisions of the laws of Montana

(Montana Code Annotated [MCA] Title 16 and the United States Code of Federal Regulations [CFR])).

- o County and city or town ordinances.
- o Indian alcohol beverage laws applicable within the areas of Indian Country.
- o Administrative Rules or Montana (ARMs) for the Department.
- All licensees must keep up on any changes to Title 16 MCAs and the ARMs.
- Title 16 and the ARMs can be found on our website [here](#) under Links and Information.
- **NOTE:** these may change from time to time. Contact ABCD if there are any questions.



Licensed microdistilleries producing less than 200,000 proof gallons annually MAY:

- Provide samples of distilled spirits in an approved sample room that were distilled on the premises, with or without charge, at the distillery between 10 a.m. and 8 p.m. in an approved sample room. Customers may stay on the premises and continue to consume until 9 p.m. No more than two ounces total per customer per day.

- Sell prepared servings for off-premises consumption between 10 a.m. and 8 p.m. (prepared servings [drinks to go] count towards sample room limits).
- Sell for off-premises consumption, distilled spirits in original packaging that were distilled on the premises, between the hours of 8 a.m. and 2 a.m. at the distillery. No more than 4.5 liters per customer per day.
- Sell for off-premises consumption at the premises in an approved sample room, at an approved curbside area, or a drive-through window.
- Serve their distilled spirits on an approved patio, deck, or lawn if:
 - o The outdoor area(s) are designated on the [floor plan \(click for specifics\)](#) you submitted with your application.
 - o It is immediately accessible from the sample room.
 - o Building, health, and fire approval has been obtained.
 - o It has an approved perimeter barrier.

A ***perimeter barrier*** is a barricade enclosing the perimeter of the patio/deck. The barrier must be constructed in a manner that impedes foot traffic and clearly defines the boundary of the exterior portion of the premises. The barrier must be a solid structure that is at least three feet high and have a single six-foot entrance permitting public access from an unlicensed area to the patio/deck. The barrier may be constructed of materials such as lattice or wrought iron that do not form a solid structure, have a portion of it be water, and/or have additional entrances permitting public access to the patio/deck. If there are questions relating to this contact ABCD.

- Apply for a [Distillery Storage Depot](#) for receiving, handling, and storing distilled spirits in addition to distributing and selling distilled spirits from the storage depot.
- Apply to have a premises that includes more than one



building for manufacturing purposes under 27 CFR 19.53 and is operated under a federal basic permit.

- Deliver distilled spirits, that were distilled on the premises, to the liquor warehouse.
- A distillery producing less than 25,000 gallons of product annually MAY deliver its product directly to a state agency liquor store if:
 - The distillery uses the distillery's own equipment, trucks, and employees to deliver the product.
 - The amount of product delivered may not be less than a case.
 - This may include an approved noncontiguous alcoholic beverage storage area within the same quota area of the agency liquor store premises. Unsure if the agency liquor store has an approved noncontiguous storage area? Contact ABCD.

Licensed microdistilleries producing less than 200,000 proof gallons annually MUST:

- Electronically report all deliveries to agency liquor stores within two days of delivery.

Licensed distilleries producing more than 200,000 proof gallons annually MAY:

- Sell and deliver distilled spirits to ABCD.
- Use a common carrier for delivery to ABCD.
- NOT provide samples.
- NOT sell for off-premises consumption.

A distillery licensee MAY:

- Import necessary products in bulk; bottle, produce, blend, store, transport, or export liquor that it produces; and perform those operations that are permitted for bonded distillery premises under applicable regulations of the

United States Department of the Treasury.

- o You must fill out the [ASA-1 form](#) (Importing Bulk Spirits for Manufacturing).
- Ship sample products to the state liquor warehouse for distribution purposes in agency liquor stores at no charge to the state.
- Ship products outside of Montana but must adhere to the receiving state laws.
- Apply to ABCD to sponsor a catered liquor manufacturing industry-specific event (i.e., Distillers Guild) with an all-alcoholic beverages licensee with a catering endorsement.
 - o All liquor provided for on-premises consumption at the catered event must be purchased by the all-beverage licensee from an agency liquor store. **NOTE:** the distillery may NOT bring bottles to the event.
 - o Allows for the sale of liquor in original packaging for off-premises consumption at a liquor manufacturing industry-specific event by the all-beverage licensee. **NOTE:** the distillery may NOT sell the bottles.
 - o ABCD may only approve six events per year.
- Sell or donate liquor to nonprofit or tax-exempt organizations for fundraising purposes.
- Sell and serve non-alcoholic (NA) type products in their approved sample room if they are not over .5% abv.

A distillery licensee may NOT:

- Allow customers to bring their own alcoholic beverages onto the licensed premises.
- Deliver its products directly to a licensed retail establishment.
- Deliver its products directly to a catered event.
- Lock premises doors while there are still customers inside.
- Obtain a special permit.

- Sell or serve alcoholic beverages from vending machines.
- Allow anyone (including owners, employees, and customers) to consume on the licensed premises between 9 p.m. and 10 a.m.
- Possess a financial or ownership interest in a Montana retail license (unless you have been approved for a co-located license with an all-alcoholic beverage retail license— call ABCD for more information), agency liquor store or a wholesale distributor license.
- Manage a wholesaler or distributor license. See the [Managing Other Licenses Fact Sheet](#) found on our website.
- Ship or deliver product directly to customers in Montana.
- All products must be shipped to the state liquor warehouse in Helena.
- A distillery producing less than 25,000 gallons of product annually may deliver its product directly to a state agency liquor store if the distillery uses the distillery's own equipment, trucks, and employees to deliver the product.
 - o Amount of product delivered must be at least a case.
 - o Agency liquor stores must be invoiced by the department for product received from a distillery.

A distillery licensee must:

- Give law enforcement access to their licensed premises at all times.
- Ensure all employees serving open-container alcoholic beverages are 18 years or older.
- Notify ABCD when there is a change in a location manager within 30 days of hire for your alcoholic beverage business. See the [Location Manager](#) Fact Sheet on our website.
- Notify ABCD regarding most changes to the existing license BEFORE the change occurs. Contact your [ABCD Licensing Specialist](#) with questions.



- Employ at least one representative (vendor rep) and can have up to four additional vendor reps who promote the sale of the distillery's products.
 - A vendor rep must be a resident of the state or become a resident after employment.
 - Fill out the Vendor Representative Permit under the Liquor Vendor Account (LVA) found on your [TAP](#) account. If you do not have an LVA contact the Liquor Auditor at (406) 444-2909 or email ABCD at DORLiquorDist@mt.gov.
 - Click on the [Supplement to Application for the Montana Vendor Representative Permit](#) and fill out the form to attach to the vendor rep application.
- Sell their product at or above the posted price.
- Ensure all employees who serve or sell alcoholic beverages and their immediate supervisors:

- o Have completed and passed the state-approved Responsible Alcohol Sales and Service (RASS) training within 60 days of hire.
- o Complete RASS renewal training every three years.
- o [Click here](#) to find out if someone is server-trained. You must know their name and birthdate.

You may find a list of approved training providers at www.AlcoholServerTraining.mt.gov.



Miscellaneous:

• Alterations

- o If you decide to remodel your establishment, you must send ABCD an [Alteration Request Form](#) along with a copy of the existing [floor plan](#) and a proposed floor plan showing the alterations **before** starting the alteration. Once the Department reviews and approves the request, you may begin the alteration without it affecting your license. You may not use the new premises area(s) until the department has approved them and they have passed building, health, fire, and a premises inspection. **Exception:** In certain cases, pre-

approval is not required. Contact ABCD if you are unsure.

- **Providing Samples:**

- o See the [Montana Licensed Distilleries Providing Samples to Licensees & The Public Fact Sheet](#) for more specifics.

Applicable Definitions:

Alcoholic Beverage means a compound produced and sold for human consumption as a drink that contains more than 0.5 percent of alcohol by volume.

Distilled Spirits means alcoholic beverages that contain ethyl alcohol and generally are the result of distillation of fermented materials. Examples include whiskey, gin, vodka, cordials, liqueurs, and flavored brandies. Distilled spirits do not include alcoholic beverages that are defined as beer or wine by the Montana Alcoholic Beverage Code.

Non-institutional lender means a person other than a state or federally regulated banking or financial institution, a credit union, an investment company, a development company, or other regulated lender as defined in [31-1-111, MCA](#), who loans money to the applicant for a license or to the licensee.

Questions? Contact an [ABCD Licensing Specialist](#) for more information.



ALCOHOLIC BEVERAGE CONTROL DIVISION

MONTANA

2517 Airport Road
P.O. Box 1712 Helena,
MT 59624
Phone: (406) 444-6900
Fax: (406) 444-0722

Website: [Alcoholic Beverage Control - Montana Department of Revenue \(mtrevenue.gov\)](https://mtrevenue.gov)

Forms: [Forms - Montana Department of Revenue \(mtrevenue.gov\)](https://mtrevenue.gov)

Online Applications: [TAP](#)

Fact Sheets: <https://mtrevenue.gov/dor-publications/liquor-publications/#FactSheetsEmailABCD>

Email ABCD - doralcoholicbeveragecontrol@mt.gov

Email Outreach & Education - DORABCD-O&E@mt.gov



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