

# HB3022



## 104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB3022

Introduced 2/6/2025, by Rep. Will Guzzardi

### SYNOPSIS AS INTRODUCED:

235 ILCS 5/8-1

Amends the Liquor Control Act of 1934. Provides that, beginning on July 1, 2025, the proceeds from the tax imposed by the Act shall be deposited as follows: (1) 43% into the Capital Projects Fund; and (2) 57% into the General Revenue Fund. Effective immediately.

LRB104 03445 HLH 14224 b

A BILL FOR

1 AN ACT concerning liquor.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Liquor Control Act of 1934 is amended by  
5 changing Section 8-1 as follows:

6 (235 ILCS 5/8-1)

7 Sec. 8-1. A tax is imposed upon the privilege of engaging  
8 in business as a manufacturer or as an importing distributor  
9 of alcoholic liquor other than beer at the rate of \$0.185 per  
10 gallon until September 1, 2009 and \$0.231 per gallon beginning  
11 September 1, 2009 for cider containing not less than 0.5%  
12 alcohol by volume nor more than 7% alcohol by volume, \$0.73 per  
13 gallon until September 1, 2009 and \$1.39 per gallon beginning  
14 September 1, 2009 for wine other than cider containing less  
15 than 7% alcohol by volume, and \$4.50 per gallon until  
16 September 1, 2009 and \$8.55 per gallon beginning September 1,  
17 2009 on alcohol and spirits manufactured and sold or used by  
18 such manufacturer, or as agent for any other person, or sold or  
19 used by such importing distributor, or as agent for any other  
20 person. A tax is imposed upon the privilege of engaging in  
21 business as a manufacturer of beer or as an importing  
22 distributor of beer at the rate of \$0.185 per gallon until  
23 September 1, 2009 and \$0.231 per gallon beginning September 1,

1 2009 on all beer, regardless of alcohol by volume,  
2 manufactured and sold or used by such manufacturer, or as  
3 agent for any other person, or sold or used by such importing  
4 distributor, or as agent for any other person. Any brewer  
5 manufacturing beer in this State shall be entitled to and  
6 given a credit or refund of 75% of the tax imposed on each  
7 gallon of beer up to 4.9 million gallons per year in any given  
8 calendar year for tax paid or payable on beer produced and sold  
9 in the State of Illinois.

10 For purposes of this Section, "beer" means beer, ale,  
11 porter, stout, and other similar fermented beverages of any  
12 name or description containing one-half of one percent or more  
13 of alcohol by volume, brewed or produced from malt, wholly or  
14 in part, or from any substitute for malt.

15 For the purpose of this Section, "cider" means any  
16 alcoholic beverage obtained by the alcohol fermentation of the  
17 juice of apples or pears including, but not limited to,  
18 flavored, sparkling, or carbonated cider.

19 The credit or refund created by this Act shall apply to all  
20 beer taxes in the calendar years 1982 through 1986.

21 The increases made by this amendatory Act of the 91st  
22 General Assembly in the rates of taxes imposed under this  
23 Section shall apply beginning on July 1, 1999.

24 A tax at the rate of 1¢ per gallon on beer and 48¢ per  
25 gallon on alcohol and spirits is also imposed upon the  
26 privilege of engaging in business as a retailer or as a

1 distributor who is not also an importing distributor with  
2 respect to all beer and all alcohol and spirits owned or  
3 possessed by such retailer or distributor when this amendatory  
4 Act of 1969 becomes effective, and with respect to which the  
5 additional tax imposed by this amendatory Act upon  
6 manufacturers and importing distributors does not apply.  
7 Retailers and distributors who are subject to the additional  
8 tax imposed by this paragraph of this Section shall be  
9 required to inventory such alcoholic liquor and to pay this  
10 additional tax in a manner prescribed by the Department.

11 The provisions of this Section shall be construed to apply  
12 to any importing distributor engaging in business in this  
13 State, whether licensed or not.

14 However, such tax is not imposed upon any such business as  
15 to any alcoholic liquor shipped outside Illinois by an  
16 Illinois licensed manufacturer or importing distributor, nor  
17 as to any alcoholic liquor delivered in Illinois by an  
18 Illinois licensed manufacturer or importing distributor to a  
19 purchaser for immediate transportation by the purchaser to  
20 another state into which the purchaser has a legal right,  
21 under the laws of such state, to import such alcoholic liquor,  
22 nor as to any alcoholic liquor other than beer sold by one  
23 Illinois licensed manufacturer or importing distributor to  
24 another Illinois licensed manufacturer or importing  
25 distributor to the extent to which the sale of alcoholic  
26 liquor other than beer by one Illinois licensed manufacturer

1 or importing distributor to another Illinois licensed  
2 manufacturer or importing distributor is authorized by the  
3 licensing provisions of this Act, nor to alcoholic liquor  
4 whether manufactured in or imported into this State when sold  
5 to a "non-beverage user" licensed by the State for use in the  
6 manufacture of any of the following when they are unfit for  
7 beverage purposes:

8 Patent and proprietary medicines and medicinal,  
9 antiseptic, culinary and toilet preparations;

10 Flavoring extracts and syrups and food products;

11 Scientific, industrial and chemical products, excepting  
12 denatured alcohol;

13 Or for scientific, chemical, experimental or mechanical  
14 purposes;

15 Nor is the tax imposed upon the privilege of engaging in  
16 any business in interstate commerce or otherwise, which  
17 business may not, under the Constitution and Statutes of the  
18 United States, be made the subject of taxation by this State.

19 The tax herein imposed shall be in addition to all other  
20 occupation or privilege taxes imposed by the State of Illinois  
21 or political subdivision thereof.

22 If any alcoholic liquor manufactured in or imported into  
23 this State is sold to a licensed manufacturer or importing  
24 distributor by a licensed manufacturer or importing  
25 distributor to be used solely as an ingredient in the  
26 manufacture of any beverage for human consumption, the tax

1 imposed upon such purchasing manufacturer or importing  
2 distributor shall be reduced by the amount of the taxes which  
3 have been paid by the selling manufacturer or importing  
4 distributor under this Act as to such alcoholic liquor so used  
5 to the Department of Revenue.

6 If any person received any alcoholic liquors from a  
7 manufacturer or importing distributor, with respect to which  
8 alcoholic liquors no tax is imposed under this Article, and  
9 such alcoholic liquor shall thereafter be disposed of in such  
10 manner or under such circumstances as may cause the same to  
11 become the base for the tax imposed by this Article, such  
12 person shall make the same reports and returns, pay the same  
13 taxes and be subject to all other provisions of this Article  
14 relating to manufacturers and importing distributors.

15 Nothing in this Article shall be construed to require the  
16 payment to the Department of the taxes imposed by this Article  
17 more than once with respect to any quantity of alcoholic  
18 liquor sold or used within this State.

19 No tax is imposed by this Act on sales of alcoholic liquor  
20 by Illinois licensed foreign importers to Illinois licensed  
21 importing distributors.

22 Before July 1, 2025, all ~~All~~ of the proceeds of the  
23 additional tax imposed by Public Act 96-34 shall be deposited  
24 by the Department into the Capital Projects Fund. The  
25 remainder of the tax imposed by this Act shall be deposited by  
26 the Department into the General Revenue Fund. On and after

1 July 1, 2025, the proceeds from the tax imposed by this Act  
2 shall be deposited as follows:

3 (1) 43% into the Capital Projects Fund; and

4 (2) 57% into the General Revenue Fund.

5 A manufacturer of beer that imports or transfers beer into  
6 this State must comply with the provisions of this Section  
7 with regard to the beer imported into this State.

8 The provisions of this Section 8-1 are severable under  
9 Section 1.31 of the Statute on Statutes.

10 (Source: P.A. 100-885, eff. 8-14-18; 101-16, eff. 6-14-19.)

11 Section 99. Effective date. This Act takes effect upon  
12 becoming law.