

1 AN ACT concerning alcoholic liquor.

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

4 Section 5. The Retailers' Occupation Tax Act is amended by
5 changing Section 3 as follows:

6 (35 ILCS 120/3) (from Ch. 120, par. 442)

7 Sec. 3. Except as provided in this Section, on or before
8 the twentieth day of each calendar month, every person engaged
9 in the business of selling tangible personal property at retail
10 in this State during the preceding calendar month shall file a
11 return with the Department, stating:

12 1. The name of the seller;

13 2. His residence address and the address of his
14 principal place of business and the address of the
15 principal place of business (if that is a different
16 address) from which he engages in the business of selling
17 tangible personal property at retail in this State;

18 3. Total amount of receipts received by him during the
19 preceding calendar month or quarter, as the case may be,
20 from sales of tangible personal property, and from services
21 furnished, by him during such preceding calendar month or
22 quarter;

23 4. Total amount received by him during the preceding
24 calendar month or quarter on charge and time sales of
25 tangible personal property, and from services furnished,
26 by him prior to the month or quarter for which the return
27 is filed;

28 5. Deductions allowed by law;

29 6. Gross receipts which were received by him during the
30 preceding calendar month or quarter and upon the basis of
31 which the tax is imposed;

32 7. The amount of credit provided in Section 2d of this

1 Act;

2 8. The amount of tax due;

3 9. The signature of the taxpayer; and

4 10. Such other reasonable information as the
5 Department may require.

6 If a taxpayer fails to sign a return within 30 days after
7 the proper notice and demand for signature by the Department,
8 the return shall be considered valid and any amount shown to be
9 due on the return shall be deemed assessed.

10 Each return shall be accompanied by the statement of
11 prepaid tax issued pursuant to Section 2e for which credit is
12 claimed.

13 Prior to October 1, 2003, a retailer may accept a
14 Manufacturer's Purchase Credit certification from a purchaser
15 in satisfaction of Use Tax as provided in Section 3-85 of the
16 Use Tax Act if the purchaser provides the appropriate
17 documentation as required by Section 3-85 of the Use Tax Act. A
18 Manufacturer's Purchase Credit certification, accepted by a
19 retailer prior to October 1, 2003 as provided in Section 3-85
20 of the Use Tax Act, may be used by that retailer to satisfy
21 Retailers' Occupation Tax liability in the amount claimed in
22 the certification, not to exceed 6.25% of the receipts subject
23 to tax from a qualifying purchase. A Manufacturer's Purchase
24 Credit reported on any original or amended return filed under
25 this Act after October 20, 2003 shall be disallowed. No
26 Manufacturer's Purchase Credit may be used after September 30,
27 2003 to satisfy any tax liability imposed under this Act,
28 including any audit liability.

29 The Department may require returns to be filed on a
30 quarterly basis. If so required, a return for each calendar
31 quarter shall be filed on or before the twentieth day of the
32 calendar month following the end of such calendar quarter. The
33 taxpayer shall also file a return with the Department for each
34 of the first two months of each calendar quarter, on or before
35 the twentieth day of the following calendar month, stating:

36 1. The name of the seller;

1 2. The address of the principal place of business from
2 which he engages in the business of selling tangible
3 personal property at retail in this State;

4 3. The total amount of taxable receipts received by him
5 during the preceding calendar month from sales of tangible
6 personal property by him during such preceding calendar
7 month, including receipts from charge and time sales, but
8 less all deductions allowed by law;

9 4. The amount of credit provided in Section 2d of this
10 Act;

11 5. The amount of tax due; and

12 6. Such other reasonable information as the Department
13 may require.

14 Beginning on October 1, 2003, any person who is not a
15 licensed distributor, importing distributor, or manufacturer,
16 as defined in the Liquor Control Act of 1934, but is engaged in
17 the business of selling, at retail, alcoholic liquor shall file
18 a statement with the Department of Revenue, in a format and at
19 a time prescribed by the Department, showing the total amount
20 paid for alcoholic liquor purchased during the preceding month
21 and such other information as is reasonably required by the
22 Department. The Department may adopt rules to require that this
23 statement be filed in an electronic or telephonic format. Such
24 rules may provide for exceptions from the filing requirements
25 of this paragraph. For the purposes of this paragraph, the term
26 "alcoholic liquor" shall have the meaning prescribed in the
27 Liquor Control Act of 1934.

28 Beginning on October 1, 2003, every distributor, importing
29 distributor, and manufacturer of alcoholic liquor as defined in
30 the Liquor Control Act of 1934, shall file a statement with the
31 Department of Revenue, no later than the 10th day of the month
32 for the preceding month during which transactions occurred, by
33 electronic means, showing the total amount of gross receipts
34 from the sale of alcoholic liquor sold or distributed during
35 the preceding month to purchasers; identifying the purchaser to
36 whom it was sold or distributed; the purchaser's tax

1 registration number; and such other information reasonably
2 required by the Department. A distributor, importing
3 distributor, or manufacturer of alcoholic liquor must
4 personally deliver, mail, or provide by electronic means to
5 each retailer listed on the monthly statement a report
6 containing a cumulative total of that distributor's, importing
7 distributor's, or manufacturer's total sales of alcoholic
8 liquor to that retailer no later than the 10th day of the month
9 for the preceding month during which the transaction occurred.
10 The distributor, importing distributor, or manufacturer shall
11 notify the retailer as to the method by which the distributor,
12 importing distributor, or manufacturer will provide the sales
13 information. If the retailer is unable to receive the sales
14 information by electronic means, the distributor, importing
15 distributor, or manufacturer shall furnish the sales
16 information by personal delivery or by mail. For purposes of
17 this paragraph, the term "electronic means" includes, but is
18 not limited to, the use of a secure Internet website, e-mail,
19 or facsimile. A copy of the monthly statement shall be sent to
20 the retailer no later than the 10th day of the month for the
21 preceding month during which transactions occurred.

22 If a total amount of less than \$1 is payable, refundable or
23 creditable, such amount shall be disregarded if it is less than
24 50 cents and shall be increased to \$1 if it is 50 cents or more.

25 Beginning October 1, 1993, a taxpayer who has an average
26 monthly tax liability of \$150,000 or more shall make all
27 payments required by rules of the Department by electronic
28 funds transfer. Beginning October 1, 1994, a taxpayer who has
29 an average monthly tax liability of \$100,000 or more shall make
30 all payments required by rules of the Department by electronic
31 funds transfer. Beginning October 1, 1995, a taxpayer who has
32 an average monthly tax liability of \$50,000 or more shall make
33 all payments required by rules of the Department by electronic
34 funds transfer. Beginning October 1, 2000, a taxpayer who has
35 an annual tax liability of \$200,000 or more shall make all
36 payments required by rules of the Department by electronic

1 funds transfer. The term "annual tax liability" shall be the
2 sum of the taxpayer's liabilities under this Act, and under all
3 other State and local occupation and use tax laws administered
4 by the Department, for the immediately preceding calendar year.
5 The term "average monthly tax liability" shall be the sum of
6 the taxpayer's liabilities under this Act, and under all other
7 State and local occupation and use tax laws administered by the
8 Department, for the immediately preceding calendar year
9 divided by 12. Beginning on October 1, 2002, a taxpayer who has
10 a tax liability in the amount set forth in subsection (b) of
11 Section 2505-210 of the Department of Revenue Law shall make
12 all payments required by rules of the Department by electronic
13 funds transfer.

14 Before August 1 of each year beginning in 1993, the
15 Department shall notify all taxpayers required to make payments
16 by electronic funds transfer. All taxpayers required to make
17 payments by electronic funds transfer shall make those payments
18 for a minimum of one year beginning on October 1.

19 Any taxpayer not required to make payments by electronic
20 funds transfer may make payments by electronic funds transfer
21 with the permission of the Department.

22 All taxpayers required to make payment by electronic funds
23 transfer and any taxpayers authorized to voluntarily make
24 payments by electronic funds transfer shall make those payments
25 in the manner authorized by the Department.

26 The Department shall adopt such rules as are necessary to
27 effectuate a program of electronic funds transfer and the
28 requirements of this Section.

29 Any amount which is required to be shown or reported on any
30 return or other document under this Act shall, if such amount
31 is not a whole-dollar amount, be increased to the nearest
32 whole-dollar amount in any case where the fractional part of a
33 dollar is 50 cents or more, and decreased to the nearest
34 whole-dollar amount where the fractional part of a dollar is
35 less than 50 cents.

36 If the retailer is otherwise required to file a monthly

1 return and if the retailer's average monthly tax liability to
2 the Department does not exceed \$200, the Department may
3 authorize his returns to be filed on a quarter annual basis,
4 with the return for January, February and March of a given year
5 being due by April 20 of such year; with the return for April,
6 May and June of a given year being due by July 20 of such year;
7 with the return for July, August and September of a given year
8 being due by October 20 of such year, and with the return for
9 October, November and December of a given year being due by
10 January 20 of the following year.

11 If the retailer is otherwise required to file a monthly or
12 quarterly return and if the retailer's average monthly tax
13 liability with the Department does not exceed \$50, the
14 Department may authorize his returns to be filed on an annual
15 basis, with the return for a given year being due by January 20
16 of the following year.

17 Such quarter annual and annual returns, as to form and
18 substance, shall be subject to the same requirements as monthly
19 returns.

20 Notwithstanding any other provision in this Act concerning
21 the time within which a retailer may file his return, in the
22 case of any retailer who ceases to engage in a kind of business
23 which makes him responsible for filing returns under this Act,
24 such retailer shall file a final return under this Act with the
25 Department not more than one month after discontinuing such
26 business.

27 Where the same person has more than one business registered
28 with the Department under separate registrations under this
29 Act, such person may not file each return that is due as a
30 single return covering all such registered businesses, but
31 shall file separate returns for each such registered business.

32 In addition, with respect to motor vehicles, watercraft,
33 aircraft, and trailers that are required to be registered with
34 an agency of this State, every retailer selling this kind of
35 tangible personal property shall file, with the Department,
36 upon a form to be prescribed and supplied by the Department, a

1 separate return for each such item of tangible personal
2 property which the retailer sells, except that if, in the same
3 transaction, (i) a retailer of aircraft, watercraft, motor
4 vehicles or trailers transfers more than one aircraft,
5 watercraft, motor vehicle or trailer to another aircraft,
6 watercraft, motor vehicle retailer or trailer retailer for the
7 purpose of resale or (ii) a retailer of aircraft, watercraft,
8 motor vehicles, or trailers transfers more than one aircraft,
9 watercraft, motor vehicle, or trailer to a purchaser for use as
10 a qualifying rolling stock as provided in Section 2-5 of this
11 Act, then that seller may report the transfer of all aircraft,
12 watercraft, motor vehicles or trailers involved in that
13 transaction to the Department on the same uniform
14 invoice-transaction reporting return form. For purposes of
15 this Section, "watercraft" means a Class 2, Class 3, or Class 4
16 watercraft as defined in Section 3-2 of the Boat Registration
17 and Safety Act, a personal watercraft, or any boat equipped
18 with an inboard motor.

19 Any retailer who sells only motor vehicles, watercraft,
20 aircraft, or trailers that are required to be registered with
21 an agency of this State, so that all retailers' occupation tax
22 liability is required to be reported, and is reported, on such
23 transaction reporting returns and who is not otherwise required
24 to file monthly or quarterly returns, need not file monthly or
25 quarterly returns. However, those retailers shall be required
26 to file returns on an annual basis.

27 The transaction reporting return, in the case of motor
28 vehicles or trailers that are required to be registered with an
29 agency of this State, shall be the same document as the Uniform
30 Invoice referred to in Section 5-402 of The Illinois Vehicle
31 Code and must show the name and address of the seller; the name
32 and address of the purchaser; the amount of the selling price
33 including the amount allowed by the retailer for traded-in
34 property, if any; the amount allowed by the retailer for the
35 traded-in tangible personal property, if any, to the extent to
36 which Section 1 of this Act allows an exemption for the value

1 of traded-in property; the balance payable after deducting such
2 trade-in allowance from the total selling price; the amount of
3 tax due from the retailer with respect to such transaction; the
4 amount of tax collected from the purchaser by the retailer on
5 such transaction (or satisfactory evidence that such tax is not
6 due in that particular instance, if that is claimed to be the
7 fact); the place and date of the sale; a sufficient
8 identification of the property sold; such other information as
9 is required in Section 5-402 of The Illinois Vehicle Code, and
10 such other information as the Department may reasonably
11 require.

12 The transaction reporting return in the case of watercraft
13 or aircraft must show the name and address of the seller; the
14 name and address of the purchaser; the amount of the selling
15 price including the amount allowed by the retailer for
16 traded-in property, if any; the amount allowed by the retailer
17 for the traded-in tangible personal property, if any, to the
18 extent to which Section 1 of this Act allows an exemption for
19 the value of traded-in property; the balance payable after
20 deducting such trade-in allowance from the total selling price;
21 the amount of tax due from the retailer with respect to such
22 transaction; the amount of tax collected from the purchaser by
23 the retailer on such transaction (or satisfactory evidence that
24 such tax is not due in that particular instance, if that is
25 claimed to be the fact); the place and date of the sale, a
26 sufficient identification of the property sold, and such other
27 information as the Department may reasonably require.

28 Such transaction reporting return shall be filed not later
29 than 20 days after the day of delivery of the item that is
30 being sold, but may be filed by the retailer at any time sooner
31 than that if he chooses to do so. The transaction reporting
32 return and tax remittance or proof of exemption from the
33 Illinois use tax may be transmitted to the Department by way of
34 the State agency with which, or State officer with whom the
35 tangible personal property must be titled or registered (if
36 titling or registration is required) if the Department and such

1 agency or State officer determine that this procedure will
2 expedite the processing of applications for title or
3 registration.

4 With each such transaction reporting return, the retailer
5 shall remit the proper amount of tax due (or shall submit
6 satisfactory evidence that the sale is not taxable if that is
7 the case), to the Department or its agents, whereupon the
8 Department shall issue, in the purchaser's name, a use tax
9 receipt (or a certificate of exemption if the Department is
10 satisfied that the particular sale is tax exempt) which such
11 purchaser may submit to the agency with which, or State officer
12 with whom, he must title or register the tangible personal
13 property that is involved (if titling or registration is
14 required) in support of such purchaser's application for an
15 Illinois certificate or other evidence of title or registration
16 to such tangible personal property.

17 No retailer's failure or refusal to remit tax under this
18 Act precludes a user, who has paid the proper tax to the
19 retailer, from obtaining his certificate of title or other
20 evidence of title or registration (if titling or registration
21 is required) upon satisfying the Department that such user has
22 paid the proper tax (if tax is due) to the retailer. The
23 Department shall adopt appropriate rules to carry out the
24 mandate of this paragraph.

25 If the user who would otherwise pay tax to the retailer
26 wants the transaction reporting return filed and the payment of
27 the tax or proof of exemption made to the Department before the
28 retailer is willing to take these actions and such user has not
29 paid the tax to the retailer, such user may certify to the fact
30 of such delay by the retailer and may (upon the Department
31 being satisfied of the truth of such certification) transmit
32 the information required by the transaction reporting return
33 and the remittance for tax or proof of exemption directly to
34 the Department and obtain his tax receipt or exemption
35 determination, in which event the transaction reporting return
36 and tax remittance (if a tax payment was required) shall be

1 credited by the Department to the proper retailer's account
2 with the Department, but without the 2.1% or 1.75% discount
3 provided for in this Section being allowed. When the user pays
4 the tax directly to the Department, he shall pay the tax in the
5 same amount and in the same form in which it would be remitted
6 if the tax had been remitted to the Department by the retailer.

7 Refunds made by the seller during the preceding return
8 period to purchasers, on account of tangible personal property
9 returned to the seller, shall be allowed as a deduction under
10 subdivision 5 of his monthly or quarterly return, as the case
11 may be, in case the seller had theretofore included the
12 receipts from the sale of such tangible personal property in a
13 return filed by him and had paid the tax imposed by this Act
14 with respect to such receipts.

15 Where the seller is a corporation, the return filed on
16 behalf of such corporation shall be signed by the president,
17 vice-president, secretary or treasurer or by the properly
18 accredited agent of such corporation.

19 Where the seller is a limited liability company, the return
20 filed on behalf of the limited liability company shall be
21 signed by a manager, member, or properly accredited agent of
22 the limited liability company.

23 Except as provided in this Section, the retailer filing the
24 return under this Section shall, at the time of filing such
25 return, pay to the Department the amount of tax imposed by this
26 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
27 on and after January 1, 1990, or \$5 per calendar year,
28 whichever is greater, which is allowed to reimburse the
29 retailer for the expenses incurred in keeping records,
30 preparing and filing returns, remitting the tax and supplying
31 data to the Department on request. Any prepayment made pursuant
32 to Section 2d of this Act shall be included in the amount on
33 which such 2.1% or 1.75% discount is computed. In the case of
34 retailers who report and pay the tax on a transaction by
35 transaction basis, as provided in this Section, such discount
36 shall be taken with each such tax remittance instead of when

1 such retailer files his periodic return.

2 Before October 1, 2000, if the taxpayer's average monthly
3 tax liability to the Department under this Act, the Use Tax
4 Act, the Service Occupation Tax Act, and the Service Use Tax
5 Act, excluding any liability for prepaid sales tax to be
6 remitted in accordance with Section 2d of this Act, was \$10,000
7 or more during the preceding 4 complete calendar quarters, he
8 shall file a return with the Department each month by the 20th
9 day of the month next following the month during which such tax
10 liability is incurred and shall make payments to the Department
11 on or before the 7th, 15th, 22nd and last day of the month
12 during which such liability is incurred. On and after October
13 1, 2000, if the taxpayer's average monthly tax liability to the
14 Department under this Act, the Use Tax Act, the Service
15 Occupation Tax Act, and the Service Use Tax Act, excluding any
16 liability for prepaid sales tax to be remitted in accordance
17 with Section 2d of this Act, was \$20,000 or more during the
18 preceding 4 complete calendar quarters, he shall file a return
19 with the Department each month by the 20th day of the month
20 next following the month during which such tax liability is
21 incurred and shall make payment to the Department on or before
22 the 7th, 15th, 22nd and last day of the month during which such
23 liability is incurred. If the month during which such tax
24 liability is incurred began prior to January 1, 1985, each
25 payment shall be in an amount equal to 1/4 of the taxpayer's
26 actual liability for the month or an amount set by the
27 Department not to exceed 1/4 of the average monthly liability
28 of the taxpayer to the Department for the preceding 4 complete
29 calendar quarters (excluding the month of highest liability and
30 the month of lowest liability in such 4 quarter period). If the
31 month during which such tax liability is incurred begins on or
32 after January 1, 1985 and prior to January 1, 1987, each
33 payment shall be in an amount equal to 22.5% of the taxpayer's
34 actual liability for the month or 27.5% of the taxpayer's
35 liability for the same calendar month of the preceding year. If
36 the month during which such tax liability is incurred begins on

1 or after January 1, 1987 and prior to January 1, 1988, each
2 payment shall be in an amount equal to 22.5% of the taxpayer's
3 actual liability for the month or 26.25% of the taxpayer's
4 liability for the same calendar month of the preceding year. If
5 the month during which such tax liability is incurred begins on
6 or after January 1, 1988, and prior to January 1, 1989, or
7 begins on or after January 1, 1996, each payment shall be in an
8 amount equal to 22.5% of the taxpayer's actual liability for
9 the month or 25% of the taxpayer's liability for the same
10 calendar month of the preceding year. If the month during which
11 such tax liability is incurred begins on or after January 1,
12 1989, and prior to January 1, 1996, each payment shall be in an
13 amount equal to 22.5% of the taxpayer's actual liability for
14 the month or 25% of the taxpayer's liability for the same
15 calendar month of the preceding year or 100% of the taxpayer's
16 actual liability for the quarter monthly reporting period. The
17 amount of such quarter monthly payments shall be credited
18 against the final tax liability of the taxpayer's return for
19 that month. Before October 1, 2000, once applicable, the
20 requirement of the making of quarter monthly payments to the
21 Department by taxpayers having an average monthly tax liability
22 of \$10,000 or more as determined in the manner provided above
23 shall continue until such taxpayer's average monthly liability
24 to the Department during the preceding 4 complete calendar
25 quarters (excluding the month of highest liability and the
26 month of lowest liability) is less than \$9,000, or until such
27 taxpayer's average monthly liability to the Department as
28 computed for each calendar quarter of the 4 preceding complete
29 calendar quarter period is less than \$10,000. However, if a
30 taxpayer can show the Department that a substantial change in
31 the taxpayer's business has occurred which causes the taxpayer
32 to anticipate that his average monthly tax liability for the
33 reasonably foreseeable future will fall below the \$10,000
34 threshold stated above, then such taxpayer may petition the
35 Department for a change in such taxpayer's reporting status. On
36 and after October 1, 2000, once applicable, the requirement of

1 the making of quarter monthly payments to the Department by
2 taxpayers having an average monthly tax liability of \$20,000 or
3 more as determined in the manner provided above shall continue
4 until such taxpayer's average monthly liability to the
5 Department during the preceding 4 complete calendar quarters
6 (excluding the month of highest liability and the month of
7 lowest liability) is less than \$19,000 or until such taxpayer's
8 average monthly liability to the Department as computed for
9 each calendar quarter of the 4 preceding complete calendar
10 quarter period is less than \$20,000. However, if a taxpayer can
11 show the Department that a substantial change in the taxpayer's
12 business has occurred which causes the taxpayer to anticipate
13 that his average monthly tax liability for the reasonably
14 foreseeable future will fall below the \$20,000 threshold stated
15 above, then such taxpayer may petition the Department for a
16 change in such taxpayer's reporting status. The Department
17 shall change such taxpayer's reporting status unless it finds
18 that such change is seasonal in nature and not likely to be
19 long term. If any such quarter monthly payment is not paid at
20 the time or in the amount required by this Section, then the
21 taxpayer shall be liable for penalties and interest on the
22 difference between the minimum amount due as a payment and the
23 amount of such quarter monthly payment actually and timely
24 paid, except insofar as the taxpayer has previously made
25 payments for that month to the Department in excess of the
26 minimum payments previously due as provided in this Section.
27 The Department shall make reasonable rules and regulations to
28 govern the quarter monthly payment amount and quarter monthly
29 payment dates for taxpayers who file on other than a calendar
30 monthly basis.

31 The provisions of this paragraph apply before October 1,
32 2001. Without regard to whether a taxpayer is required to make
33 quarter monthly payments as specified above, any taxpayer who
34 is required by Section 2d of this Act to collect and remit
35 prepaid taxes and has collected prepaid taxes which average in
36 excess of \$25,000 per month during the preceding 2 complete

1 calendar quarters, shall file a return with the Department as
2 required by Section 2f and shall make payments to the
3 Department on or before the 7th, 15th, 22nd and last day of the
4 month during which such liability is incurred. If the month
5 during which such tax liability is incurred began prior to the
6 effective date of this amendatory Act of 1985, each payment
7 shall be in an amount not less than 22.5% of the taxpayer's
8 actual liability under Section 2d. If the month during which
9 such tax liability is incurred begins on or after January 1,
10 1986, each payment shall be in an amount equal to 22.5% of the
11 taxpayer's actual liability for the month or 27.5% of the
12 taxpayer's liability for the same calendar month of the
13 preceding calendar year. If the month during which such tax
14 liability is incurred begins on or after January 1, 1987, each
15 payment shall be in an amount equal to 22.5% of the taxpayer's
16 actual liability for the month or 26.25% of the taxpayer's
17 liability for the same calendar month of the preceding year.
18 The amount of such quarter monthly payments shall be credited
19 against the final tax liability of the taxpayer's return for
20 that month filed under this Section or Section 2f, as the case
21 may be. Once applicable, the requirement of the making of
22 quarter monthly payments to the Department pursuant to this
23 paragraph shall continue until such taxpayer's average monthly
24 prepaid tax collections during the preceding 2 complete
25 calendar quarters is \$25,000 or less. If any such quarter
26 monthly payment is not paid at the time or in the amount
27 required, the taxpayer shall be liable for penalties and
28 interest on such difference, except insofar as the taxpayer has
29 previously made payments for that month in excess of the
30 minimum payments previously due.

31 The provisions of this paragraph apply on and after October
32 1, 2001. Without regard to whether a taxpayer is required to
33 make quarter monthly payments as specified above, any taxpayer
34 who is required by Section 2d of this Act to collect and remit
35 prepaid taxes and has collected prepaid taxes that average in
36 excess of \$20,000 per month during the preceding 4 complete

1 calendar quarters shall file a return with the Department as
2 required by Section 2f and shall make payments to the
3 Department on or before the 7th, 15th, 22nd and last day of the
4 month during which the liability is incurred. Each payment
5 shall be in an amount equal to 22.5% of the taxpayer's actual
6 liability for the month or 25% of the taxpayer's liability for
7 the same calendar month of the preceding year. The amount of
8 the quarter monthly payments shall be credited against the
9 final tax liability of the taxpayer's return for that month
10 filed under this Section or Section 2f, as the case may be.
11 Once applicable, the requirement of the making of quarter
12 monthly payments to the Department pursuant to this paragraph
13 shall continue until the taxpayer's average monthly prepaid tax
14 collections during the preceding 4 complete calendar quarters
15 (excluding the month of highest liability and the month of
16 lowest liability) is less than \$19,000 or until such taxpayer's
17 average monthly liability to the Department as computed for
18 each calendar quarter of the 4 preceding complete calendar
19 quarters is less than \$20,000. If any such quarter monthly
20 payment is not paid at the time or in the amount required, the
21 taxpayer shall be liable for penalties and interest on such
22 difference, except insofar as the taxpayer has previously made
23 payments for that month in excess of the minimum payments
24 previously due.

25 If any payment provided for in this Section exceeds the
26 taxpayer's liabilities under this Act, the Use Tax Act, the
27 Service Occupation Tax Act and the Service Use Tax Act, as
28 shown on an original monthly return, the Department shall, if
29 requested by the taxpayer, issue to the taxpayer a credit
30 memorandum no later than 30 days after the date of payment. The
31 credit evidenced by such credit memorandum may be assigned by
32 the taxpayer to a similar taxpayer under this Act, the Use Tax
33 Act, the Service Occupation Tax Act or the Service Use Tax Act,
34 in accordance with reasonable rules and regulations to be
35 prescribed by the Department. If no such request is made, the
36 taxpayer may credit such excess payment against tax liability

1 subsequently to be remitted to the Department under this Act,
2 the Use Tax Act, the Service Occupation Tax Act or the Service
3 Use Tax Act, in accordance with reasonable rules and
4 regulations prescribed by the Department. If the Department
5 subsequently determined that all or any part of the credit
6 taken was not actually due to the taxpayer, the taxpayer's 2.1%
7 and 1.75% vendor's discount shall be reduced by 2.1% or 1.75%
8 of the difference between the credit taken and that actually
9 due, and that taxpayer shall be liable for penalties and
10 interest on such difference.

11 If a retailer of motor fuel is entitled to a credit under
12 Section 2d of this Act which exceeds the taxpayer's liability
13 to the Department under this Act for the month which the
14 taxpayer is filing a return, the Department shall issue the
15 taxpayer a credit memorandum for the excess.

16 Beginning January 1, 1990, each month the Department shall
17 pay into the Local Government Tax Fund, a special fund in the
18 State treasury which is hereby created, the net revenue
19 realized for the preceding month from the 1% tax on sales of
20 food for human consumption which is to be consumed off the
21 premises where it is sold (other than alcoholic beverages, soft
22 drinks and food which has been prepared for immediate
23 consumption) and prescription and nonprescription medicines,
24 drugs, medical appliances and insulin, urine testing
25 materials, syringes and needles used by diabetics.

26 Beginning January 1, 1990, each month the Department shall
27 pay into the County and Mass Transit District Fund, a special
28 fund in the State treasury which is hereby created, 4% of the
29 net revenue realized for the preceding month from the 6.25%
30 general rate.

31 Beginning August 1, 2000, each month the Department shall
32 pay into the County and Mass Transit District Fund 20% of the
33 net revenue realized for the preceding month from the 1.25%
34 rate on the selling price of motor fuel and gasohol.

35 Beginning January 1, 1990, each month the Department shall
36 pay into the Local Government Tax Fund 16% of the net revenue

1 realized for the preceding month from the 6.25% general rate on
 2 the selling price of tangible personal property.

3 Beginning August 1, 2000, each month the Department shall
 4 pay into the Local Government Tax Fund 80% of the net revenue
 5 realized for the preceding month from the 1.25% rate on the
 6 selling price of motor fuel and gasohol.

7 Of the remainder of the moneys received by the Department
 8 pursuant to this Act, (a) 1.75% thereof shall be paid into the
 9 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
 10 and after July 1, 1989, 3.8% thereof shall be paid into the
 11 Build Illinois Fund; provided, however, that if in any fiscal
 12 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
 13 may be, of the moneys received by the Department and required
 14 to be paid into the Build Illinois Fund pursuant to this Act,
 15 Section 9 of the Use Tax Act, Section 9 of the Service Use Tax
 16 Act, and Section 9 of the Service Occupation Tax Act, such Acts
 17 being hereinafter called the "Tax Acts" and such aggregate of
 18 2.2% or 3.8%, as the case may be, of moneys being hereinafter
 19 called the "Tax Act Amount", and (2) the amount transferred to
 20 the Build Illinois Fund from the State and Local Sales Tax
 21 Reform Fund shall be less than the Annual Specified Amount (as
 22 hereinafter defined), an amount equal to the difference shall
 23 be immediately paid into the Build Illinois Fund from other
 24 moneys received by the Department pursuant to the Tax Acts; the
 25 "Annual Specified Amount" means the amounts specified below for
 26 fiscal years 1986 through 1993:

27	Fiscal Year	Annual Specified Amount
28	1986	\$54,800,000
29	1987	\$76,650,000
30	1988	\$80,480,000
31	1989	\$88,510,000
32	1990	\$115,330,000
33	1991	\$145,470,000
34	1992	\$182,730,000
35	1993	\$206,520,000;

36 and means the Certified Annual Debt Service Requirement (as

1 defined in Section 13 of the Build Illinois Bond Act) or the
2 Tax Act Amount, whichever is greater, for fiscal year 1994 and
3 each fiscal year thereafter; and further provided, that if on
4 the last business day of any month the sum of (1) the Tax Act
5 Amount required to be deposited into the Build Illinois Bond
6 Account in the Build Illinois Fund during such month and (2)
7 the amount transferred to the Build Illinois Fund from the
8 State and Local Sales Tax Reform Fund shall have been less than
9 1/12 of the Annual Specified Amount, an amount equal to the
10 difference shall be immediately paid into the Build Illinois
11 Fund from other moneys received by the Department pursuant to
12 the Tax Acts; and, further provided, that in no event shall the
13 payments required under the preceding proviso result in
14 aggregate payments into the Build Illinois Fund pursuant to
15 this clause (b) for any fiscal year in excess of the greater of
16 (i) the Tax Act Amount or (ii) the Annual Specified Amount for
17 such fiscal year. The amounts payable into the Build Illinois
18 Fund under clause (b) of the first sentence in this paragraph
19 shall be payable only until such time as the aggregate amount
20 on deposit under each trust indenture securing Bonds issued and
21 outstanding pursuant to the Build Illinois Bond Act is
22 sufficient, taking into account any future investment income,
23 to fully provide, in accordance with such indenture, for the
24 defeasance of or the payment of the principal of, premium, if
25 any, and interest on the Bonds secured by such indenture and on
26 any Bonds expected to be issued thereafter and all fees and
27 costs payable with respect thereto, all as certified by the
28 Director of the Bureau of the Budget (now Governor's Office of
29 Management and Budget). If on the last business day of any
30 month in which Bonds are outstanding pursuant to the Build
31 Illinois Bond Act, the aggregate of moneys deposited in the
32 Build Illinois Bond Account in the Build Illinois Fund in such
33 month shall be less than the amount required to be transferred
34 in such month from the Build Illinois Bond Account to the Build
35 Illinois Bond Retirement and Interest Fund pursuant to Section
36 13 of the Build Illinois Bond Act, an amount equal to such

1 deficiency shall be immediately paid from other moneys received
 2 by the Department pursuant to the Tax Acts to the Build
 3 Illinois Fund; provided, however, that any amounts paid to the
 4 Build Illinois Fund in any fiscal year pursuant to this
 5 sentence shall be deemed to constitute payments pursuant to
 6 clause (b) of the first sentence of this paragraph and shall
 7 reduce the amount otherwise payable for such fiscal year
 8 pursuant to that clause (b). The moneys received by the
 9 Department pursuant to this Act and required to be deposited
 10 into the Build Illinois Fund are subject to the pledge, claim
 11 and charge set forth in Section 12 of the Build Illinois Bond
 12 Act.

13 Subject to payment of amounts into the Build Illinois Fund
 14 as provided in the preceding paragraph or in any amendment
 15 thereto hereafter enacted, the following specified monthly
 16 installment of the amount requested in the certificate of the
 17 Chairman of the Metropolitan Pier and Exposition Authority
 18 provided under Section 8.25f of the State Finance Act, but not
 19 in excess of sums designated as "Total Deposit", shall be
 20 deposited in the aggregate from collections under Section 9 of
 21 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
 22 9 of the Service Occupation Tax Act, and Section 3 of the
 23 Retailers' Occupation Tax Act into the McCormick Place
 24 Expansion Project Fund in the specified fiscal years.

	Fiscal Year	Total Deposit
25		
26	1993	\$0
27	1994	53,000,000
28	1995	58,000,000
29	1996	61,000,000
30	1997	64,000,000
31	1998	68,000,000
32	1999	71,000,000
33	2000	75,000,000
34	2001	80,000,000
35	2002	93,000,000

1	2003	99,000,000
2	2004	103,000,000
3	2005	108,000,000
4	2006	113,000,000
5	2007	119,000,000
6	2008	126,000,000
7	2009	132,000,000
8	2010	139,000,000
9	2011	146,000,000
10	2012	153,000,000
11	2013	161,000,000
12	2014	170,000,000
13	2015	179,000,000
14	2016	189,000,000
15	2017	199,000,000
16	2018	210,000,000
17	2019	221,000,000
18	2020	233,000,000
19	2021	246,000,000
20	2022	260,000,000
21	2023 and	275,000,000

22 each fiscal year
 23 thereafter that bonds
 24 are outstanding under
 25 Section 13.2 of the
 26 Metropolitan Pier and
 27 Exposition Authority Act,
 28 but not after fiscal year 2042.

29 Beginning July 20, 1993 and in each month of each fiscal
 30 year thereafter, one-eighth of the amount requested in the
 31 certificate of the Chairman of the Metropolitan Pier and
 32 Exposition Authority for that fiscal year, less the amount
 33 deposited into the McCormick Place Expansion Project Fund by
 34 the State Treasurer in the respective month under subsection
 35 (g) of Section 13 of the Metropolitan Pier and Exposition
 36 Authority Act, plus cumulative deficiencies in the deposits

1 required under this Section for previous months and years,
2 shall be deposited into the McCormick Place Expansion Project
3 Fund, until the full amount requested for the fiscal year, but
4 not in excess of the amount specified above as "Total Deposit",
5 has been deposited.

6 Subject to payment of amounts into the Build Illinois Fund
7 and the McCormick Place Expansion Project Fund pursuant to the
8 preceding paragraphs or in any amendments thereto hereafter
9 enacted, beginning July 1, 1993, the Department shall each
10 month pay into the Illinois Tax Increment Fund 0.27% of 80% of
11 the net revenue realized for the preceding month from the 6.25%
12 general rate on the selling price of tangible personal
13 property.

14 Subject to payment of amounts into the Build Illinois Fund
15 and the McCormick Place Expansion Project Fund pursuant to the
16 preceding paragraphs or in any amendments thereto hereafter
17 enacted, beginning with the receipt of the first report of
18 taxes paid by an eligible business and continuing for a 25-year
19 period, the Department shall each month pay into the Energy
20 Infrastructure Fund 80% of the net revenue realized from the
21 6.25% general rate on the selling price of Illinois-mined coal
22 that was sold to an eligible business. For purposes of this
23 paragraph, the term "eligible business" means a new electric
24 generating facility certified pursuant to Section 605-332 of
25 the Department of Commerce and Economic Opportunity ~~Community~~
26 ~~Affairs~~ Law of the Civil Administrative Code of Illinois.

27 Of the remainder of the moneys received by the Department
28 pursuant to this Act, 75% thereof shall be paid into the State
29 Treasury and 25% shall be reserved in a special account and
30 used only for the transfer to the Common School Fund as part of
31 the monthly transfer from the General Revenue Fund in
32 accordance with Section 8a of the State Finance Act.

33 The Department may, upon separate written notice to a
34 taxpayer, require the taxpayer to prepare and file with the
35 Department on a form prescribed by the Department within not
36 less than 60 days after receipt of the notice an annual

1 information return for the tax year specified in the notice.
2 Such annual return to the Department shall include a statement
3 of gross receipts as shown by the retailer's last Federal
4 income tax return. If the total receipts of the business as
5 reported in the Federal income tax return do not agree with the
6 gross receipts reported to the Department of Revenue for the
7 same period, the retailer shall attach to his annual return a
8 schedule showing a reconciliation of the 2 amounts and the
9 reasons for the difference. The retailer's annual return to the
10 Department shall also disclose the cost of goods sold by the
11 retailer during the year covered by such return, opening and
12 closing inventories of such goods for such year, costs of goods
13 used from stock or taken from stock and given away by the
14 retailer during such year, payroll information of the
15 retailer's business during such year and any additional
16 reasonable information which the Department deems would be
17 helpful in determining the accuracy of the monthly, quarterly
18 or annual returns filed by such retailer as provided for in
19 this Section.

20 If the annual information return required by this Section
21 is not filed when and as required, the taxpayer shall be liable
22 as follows:

23 (i) Until January 1, 1994, the taxpayer shall be liable
24 for a penalty equal to $1/6$ of 1% of the tax due from such
25 taxpayer under this Act during the period to be covered by
26 the annual return for each month or fraction of a month
27 until such return is filed as required, the penalty to be
28 assessed and collected in the same manner as any other
29 penalty provided for in this Act.

30 (ii) On and after January 1, 1994, the taxpayer shall
31 be liable for a penalty as described in Section 3-4 of the
32 Uniform Penalty and Interest Act.

33 The chief executive officer, proprietor, owner or highest
34 ranking manager shall sign the annual return to certify the
35 accuracy of the information contained therein. Any person who
36 willfully signs the annual return containing false or

1 inaccurate information shall be guilty of perjury and punished
2 accordingly. The annual return form prescribed by the
3 Department shall include a warning that the person signing the
4 return may be liable for perjury.

5 The provisions of this Section concerning the filing of an
6 annual information return do not apply to a retailer who is not
7 required to file an income tax return with the United States
8 Government.

9 As soon as possible after the first day of each month, upon
10 certification of the Department of Revenue, the Comptroller
11 shall order transferred and the Treasurer shall transfer from
12 the General Revenue Fund to the Motor Fuel Tax Fund an amount
13 equal to 1.7% of 80% of the net revenue realized under this Act
14 for the second preceding month. Beginning April 1, 2000, this
15 transfer is no longer required and shall not be made.

16 Net revenue realized for a month shall be the revenue
17 collected by the State pursuant to this Act, less the amount
18 paid out during that month as refunds to taxpayers for
19 overpayment of liability.

20 For greater simplicity of administration, manufacturers,
21 importers and wholesalers whose products are sold at retail in
22 Illinois by numerous retailers, and who wish to do so, may
23 assume the responsibility for accounting and paying to the
24 Department all tax accruing under this Act with respect to such
25 sales, if the retailers who are affected do not make written
26 objection to the Department to this arrangement.

27 Any person who promotes, organizes, provides retail
28 selling space for concessionaires or other types of sellers at
29 the Illinois State Fair, DuQuoin State Fair, county fairs,
30 local fairs, art shows, flea markets and similar exhibitions or
31 events, including any transient merchant as defined by Section
32 2 of the Transient Merchant Act of 1987, is required to file a
33 report with the Department providing the name of the merchant's
34 business, the name of the person or persons engaged in
35 merchant's business, the permanent address and Illinois
36 Retailers Occupation Tax Registration Number of the merchant,

1 the dates and location of the event and other reasonable
2 information that the Department may require. The report must be
3 filed not later than the 20th day of the month next following
4 the month during which the event with retail sales was held.
5 Any person who fails to file a report required by this Section
6 commits a business offense and is subject to a fine not to
7 exceed \$250.

8 Any person engaged in the business of selling tangible
9 personal property at retail as a concessionaire or other type
10 of seller at the Illinois State Fair, county fairs, art shows,
11 flea markets and similar exhibitions or events, or any
12 transient merchants, as defined by Section 2 of the Transient
13 Merchant Act of 1987, may be required to make a daily report of
14 the amount of such sales to the Department and to make a daily
15 payment of the full amount of tax due. The Department shall
16 impose this requirement when it finds that there is a
17 significant risk of loss of revenue to the State at such an
18 exhibition or event. Such a finding shall be based on evidence
19 that a substantial number of concessionaires or other sellers
20 who are not residents of Illinois will be engaging in the
21 business of selling tangible personal property at retail at the
22 exhibition or event, or other evidence of a significant risk of
23 loss of revenue to the State. The Department shall notify
24 concessionaires and other sellers affected by the imposition of
25 this requirement. In the absence of notification by the
26 Department, the concessionaires and other sellers shall file
27 their returns as otherwise required in this Section.

28 (Source: P.A. 92-12, eff. 7-1-01; 92-16, eff. 6-28-01; 92-208,
29 eff. 8-2-01; 92-484, eff. 8-23-01; 92-492, eff. 1-1-02; 92-600,
30 eff. 6-28-02; 92-651, eff. 7-11-02; 93-22, eff. 6-20-03; 93-24,
31 eff. 6-20-03; revised 10-15-03.)

32 Section 10. The Liquor Control Act of 1934 is amended by
33 changing Sections 3-12, 5-1, 6-2, 6-16.1, 7-5, and 7-6 as
34 follows:

1 (235 ILCS 5/3-12) (from Ch. 43, par. 108)

2 Sec. 3-12. Powers and duties of State Commission.

3 (a) The State commission shall have the following powers,
4 functions and duties:

5 (1) To receive applications and to issue licenses to
6 manufacturers, foreign importers, importing distributors,
7 distributors, non-resident dealers, on premise consumption
8 retailers, off premise sale retailers, special event
9 retailer licensees, special use permit licenses, auction
10 liquor licenses, brew pubs, caterer retailers,
11 non-beverage users, railroads, including owners and
12 lessees of sleeping, dining and cafe cars, airplanes,
13 boats, brokers, and wine maker's premises licensees in
14 accordance with the provisions of this Act, and to suspend
15 or revoke such licenses upon the State commission's
16 determination, upon notice after hearing, that a licensee
17 has violated any provision of this Act or any rule or
18 regulation issued pursuant thereto and in effect for 30
19 days prior to such violation. Except in the case of an
20 action taken pursuant to a violation of Section 6-3, 6-5,
21 or 6-9, any action by the State Commission to suspend or
22 revoke a licensee's license may be limited to the license
23 for the specific premises where the violation occurred.

24 In lieu of suspending or revoking a license, the
25 commission may impose a fine, upon the State commission's
26 determination and notice after hearing, that a licensee has
27 violated any provision of this Act or any rule or
28 regulation issued pursuant thereto and in effect for 30
29 days prior to such violation. The fine imposed under this
30 paragraph may not exceed \$500 for each violation. Each day
31 that the activity, which gave rise to the original fine,
32 continues is a separate violation. The maximum fine that
33 may be levied against any licensee, for the period of the
34 license, shall not exceed \$20,000. The maximum penalty that
35 may be imposed on a licensee for selling a bottle of
36 alcoholic liquor with a foreign object in it or serving

1 from a bottle of alcoholic liquor with a foreign object in
2 it shall be the destruction of that bottle of alcoholic
3 liquor for the first 10 bottles so sold or served from by
4 the licensee. For the eleventh bottle of alcoholic liquor
5 and for each third bottle thereafter sold or served from by
6 the licensee with a foreign object in it, the maximum
7 penalty that may be imposed on the licensee is the
8 destruction of the bottle of alcoholic liquor and a fine of
9 up to \$50.

10 (2) To adopt such rules and regulations consistent with
11 the provisions of this Act which shall be necessary to
12 carry on its functions and duties to the end that the
13 health, safety and welfare of the People of the State of
14 Illinois shall be protected and temperance in the
15 consumption of alcoholic liquors shall be fostered and
16 promoted and to distribute copies of such rules and
17 regulations to all licensees affected thereby.

18 (3) To call upon other administrative departments of
19 the State, county and municipal governments, county and
20 city police departments and upon prosecuting officers for
21 such information and assistance as it deems necessary in
22 the performance of its duties.

23 (4) To recommend to local commissioners rules and
24 regulations, not inconsistent with the law, for the
25 distribution and sale of alcoholic liquors throughout the
26 State.

27 (5) To inspect, or cause to be inspected, any premises
28 in this State where alcoholic liquors are manufactured,
29 distributed, warehoused, or sold.

30 (5.1) Upon receipt of a complaint or upon having
31 knowledge that any person is engaged in business as a
32 manufacturer, importing distributor, distributor, or
33 retailer without a license or valid license, to notify the
34 local liquor authority, file a complaint with the State's
35 Attorney's Office of the county where the incident
36 occurred, or initiate an investigation with the

1 appropriate law enforcement officials.

2 (5.2) To issue a cease and desist notice to persons
3 shipping alcoholic liquor into this State from a point
4 outside of this State if the shipment is in violation of
5 this Act.

6 (5.3) To receive complaints from licensees, local
7 officials, law enforcement agencies, organizations, and
8 persons stating that any licensee has been or is violating
9 any provision of this Act or the rules and regulations
10 issued pursuant to this Act. Such complaints shall be in
11 writing, signed and sworn to by the person making the
12 complaint, and shall state with specificity the facts in
13 relation to the alleged violation. If the Commission has
14 reasonable grounds to believe that the complaint
15 substantially alleges a violation of this Act or rules and
16 regulations adopted pursuant to this Act, it shall conduct
17 an investigation. If, after conducting an investigation,
18 the Commission is satisfied that the alleged violation did
19 occur, it shall proceed with disciplinary action against
20 the licensee as provided in this Act.

21 (6) To hear and determine appeals from orders of a
22 local commission in accordance with the provisions of this
23 Act, as hereinafter set forth. Hearings under this
24 subsection shall be held in Springfield or Chicago, at
25 whichever location is the more convenient for the majority
26 of persons who are parties to the hearing.

27 (7) The commission shall establish uniform systems of
28 accounts to be kept by all retail licensees having more
29 than 4 employees, and for this purpose the commission may
30 classify all retail licensees having more than 4 employees
31 and establish a uniform system of accounts for each class
32 and prescribe the manner in which such accounts shall be
33 kept. The commission may also prescribe the forms of
34 accounts to be kept by all retail licensees having more
35 than 4 employees, including but not limited to accounts of
36 earnings and expenses and any distribution, payment, or

1 other distribution of earnings or assets, and any other
2 forms, records and memoranda which in the judgment of the
3 commission may be necessary or appropriate to carry out any
4 of the provisions of this Act, including but not limited to
5 such forms, records and memoranda as will readily and
6 accurately disclose at all times the beneficial ownership
7 of such retail licensed business. The accounts, forms,
8 records and memoranda shall be available at all reasonable
9 times for inspection by authorized representatives of the
10 State commission or by any local liquor control
11 commissioner or his or her authorized representative. The
12 commission, may, from time to time, alter, amend or repeal,
13 in whole or in part, any uniform system of accounts, or the
14 form and manner of keeping accounts.

15 (8) In the conduct of any hearing authorized to be held
16 by the commission, to appoint, at the commission's
17 discretion, hearing officers to conduct hearings involving
18 complex issues or issues that will require a protracted
19 period of time to resolve, to examine, or cause to be
20 examined, under oath, any licensee, and to examine or cause
21 to be examined the books and records of such licensee; to
22 hear testimony and take proof material for its information
23 in the discharge of its duties hereunder; to administer or
24 cause to be administered oaths; for any such purpose to
25 issue subpoena or subpoenas to require the attendance of
26 witnesses and the production of books, which shall be
27 effective in any part of this State, and to adopt rules to
28 implement its powers under this paragraph (8).

29 Any Circuit Court may by order duly entered, require
30 the attendance of witnesses and the production of relevant
31 books subpoenaed by the State commission and the court may
32 compel obedience to its order by proceedings for contempt.

33 (9) To investigate the administration of laws in
34 relation to alcoholic liquors in this and other states and
35 any foreign countries, and to recommend from time to time
36 to the Governor and through him or her to the legislature

1 of this State, such amendments to this Act, if any, as it
2 may think desirable and as will serve to further the
3 general broad purposes contained in Section 1-2 hereof.

4 (10) To adopt such rules and regulations consistent
5 with the provisions of this Act which shall be necessary
6 for the control, sale or disposition of alcoholic liquor
7 damaged as a result of an accident, wreck, flood, fire or
8 other similar occurrence.

9 (11) To develop industry educational programs related
10 to responsible serving and selling, particularly in the
11 areas of overserving consumers and illegal underage
12 purchasing and consumption of alcoholic beverages.

13 (11.1) To license persons providing education and
14 training to alcohol beverage sellers and servers under the
15 Beverage Alcohol Sellers and Servers Education and
16 Training (BASSET) programs and to develop and administer a
17 public awareness program in Illinois to reduce or eliminate
18 the illegal purchase and consumption of alcoholic beverage
19 products by persons under the age of 21. Application for a
20 license shall be made on forms provided by the State
21 Commission.

22 (12) To develop and maintain a repository of license
23 and regulatory information.

24 (13) On or before January 15, 1994, the Commission
25 shall issue a written report to the Governor and General
26 Assembly that is to be based on a comprehensive study of
27 the impact on and implications for the State of Illinois of
28 Section 1926 of the Federal ADAMHA Reorganization Act of
29 1992 (Public Law 102-321). This study shall address the
30 extent to which Illinois currently complies with the
31 provisions of P.L. 102-321 and the rules promulgated
32 pursuant thereto.

33 As part of its report, the Commission shall provide the
34 following essential information:

35 (i) the number of retail distributors of tobacco
36 products, by type and geographic area, in the State;

1 (ii) the number of reported citations and
2 successful convictions, categorized by type and
3 location of retail distributor, for violation of the
4 Sale of Tobacco to Minors Act and the Smokeless Tobacco
5 Limitation Act;

6 (iii) the extent and nature of organized
7 educational and governmental activities that are
8 intended to promote, encourage or otherwise secure
9 compliance with any Illinois laws that prohibit the
10 sale or distribution of tobacco products to minors; and

11 (iv) the level of access and availability of
12 tobacco products to individuals under the age of 18.

13 To obtain the data necessary to comply with the provisions
14 of P.L. 102-321 and the requirements of this report, the
15 Commission shall conduct random, unannounced inspections of a
16 geographically and scientifically representative sample of the
17 State's retail tobacco distributors.

18 The Commission shall consult with the Department of Public
19 Health, the Department of Human Services, the Illinois State
20 Police and any other executive branch agency, and private
21 organizations that may have information relevant to this
22 report.

23 The Commission may contract with the Food and Drug
24 Administration of the U.S. Department of Health and Human
25 Services to conduct unannounced investigations of Illinois
26 tobacco vendors to determine compliance with federal laws
27 relating to the illegal sale of cigarettes and smokeless
28 tobacco products to persons under the age of 18.

29 (b) On or before April 30, 1999, the Commission shall
30 present a written report to the Governor and the General
31 Assembly that shall be based on a study of the impact of this
32 amendatory Act of 1998 on the business of soliciting, selling,
33 and shipping alcoholic liquor from outside of this State
34 directly to residents of this State.

35 As part of its report, the Commission shall provide the
36 following information:

1 (i) the amount of State excise and sales tax revenues
2 generated as a result of this amendatory Act of 1998;

3 (ii) the amount of licensing fees received as a result
4 of this amendatory Act of 1998;

5 (iii) the number of reported violations, the number of
6 cease and desist notices issued by the Commission, the
7 number of notices of violations issued to the Department of
8 Revenue, and the number of notices and complaints of
9 violations to law enforcement officials.

10 (Source: P.A. 91-553, eff. 8-14-99; 91-922, eff. 7-7-00;
11 92-378, eff. 8-16-01; 92-813, eff. 8-21-02.)

12 (235 ILCS 5/5-1) (from Ch. 43, par. 115)

13 Sec. 5-1. Licenses issued by the Illinois Liquor Control
14 Commission shall be of the following classes:

15 (a) Manufacturer's license - Class 1. Distiller, Class 2.
16 Rectifier, Class 3. Brewer, Class 4. First Class Wine
17 Manufacturer, Class 5. Second Class Wine Manufacturer, Class 6.
18 First Class Winemaker, Class 7. Second Class Winemaker, Class
19 8. Limited Wine Manufacturer,

20 (b) Distributor's license,

21 (c) Importing Distributor's license,

22 (d) Retailer's license,

23 (e) Special Event Retailer's license (not-for-profit),

24 (f) Railroad license,

25 (g) Boat license,

26 (h) Non-Beverage User's license,

27 (i) Wine-maker's premises license,

28 (j) Airplane license,

29 (k) Foreign importer's license,

30 (l) Broker's license,

31 (m) Non-resident dealer's license,

32 (n) Brew Pub license,

33 (o) Auction liquor license,

34 (p) Caterer retailer license,

35 (q) Special use permit license.

1 No person, firm, partnership, corporation, or other legal
2 business entity that is engaged in the manufacturing of wine
3 may concurrently obtain and hold a wine-maker's license and a
4 wine manufacturer's license.

5 (a) A manufacturer's license shall allow the manufacture,
6 importation in bulk, storage, distribution and sale of
7 alcoholic liquor to persons without the State, as may be
8 permitted by law and to licensees in this State as follows:

9 Class 1. A Distiller may make sales and deliveries of
10 alcoholic liquor to distillers, rectifiers, importing
11 distributors, distributors and non-beverage users and to no
12 other licensees.

13 Class 2. A Rectifier, who is not a distiller, as defined
14 herein, may make sales and deliveries of alcoholic liquor to
15 rectifiers, importing distributors, distributors, retailers
16 and non-beverage users and to no other licensees.

17 Class 3. A Brewer may make sales and deliveries of beer to
18 importing distributors, distributors, and to non-licensees,
19 and to retailers provided the brewer obtains an importing
20 distributor's license or distributor's license in accordance
21 with the provisions of this Act.

22 Class 4. A first class wine-manufacturer may make sales and
23 deliveries of up to 50,000 gallons of wine to manufacturers,
24 importing distributors and distributors, and to no other
25 licensees.

26 Class 5. A second class Wine manufacturer may make sales
27 and deliveries of more than 50,000 gallons of wine to
28 manufacturers, importing distributors and distributors and to
29 no other licensees.

30 Class 6. A first-class wine-maker's license shall allow the
31 manufacture of up to 50,000 gallons of wine per year, and the
32 storage and sale of such wine to distributors in the State and
33 to persons without the State, as may be permitted by law. A
34 first-class wine-maker's license shall allow the sale of no
35 more than 5,000 gallons of the licensee's wine to retailers.
36 The State Commission shall issue only one first-class

1 wine-maker's license to any person, firm, partnership,
2 corporation, or other legal business entity that is engaged in
3 the making of less than 50,000 gallons of wine annually that
4 applies for a first-class wine-maker's license. No subsidiary
5 or affiliate thereof, nor any officer, associate, member,
6 partner, representative, employee, agent, or shareholder may
7 be issued an additional wine-maker's license by the State
8 Commission.

9 Class 7. A second-class wine-maker's license shall allow
10 the manufacture of between 50,000 and 100,000 gallons of wine
11 per year, and the storage and sale of such wine to distributors
12 in this State and to persons without the State, as may be
13 permitted by law. A second-class wine-maker's license shall
14 allow the sale of no more than 10,000 gallons of the licensee's
15 wine directly to retailers. The State Commission shall issue
16 only one second-class wine-maker's license to any person, firm,
17 partnership, corporation, or other legal business entity that
18 is engaged in the making of less than 100,000 gallons of wine
19 annually that applies for a second-class wine-maker's license.
20 No subsidiary or affiliate thereof, or any officer, associate,
21 member, partner, representative, employee, agent, or
22 shareholder may be issued an additional wine-maker's license by
23 the State Commission.

24 Class 8. A limited wine-manufacturer may make sales and
25 deliveries not to exceed 40,000 gallons of wine per year to
26 distributors, and to non-licensees in accordance with the
27 provisions of this Act.

28 (a-1) A manufacturer which is licensed in this State to
29 make sales or deliveries of alcoholic liquor and which enlists
30 agents, representatives, or individuals acting on its behalf
31 who contact licensed retailers on a regular and continual basis
32 in this State must register those agents, representatives, or
33 persons acting on its behalf with the State Commission.

34 Registration of agents, representatives, or persons acting
35 on behalf of a manufacturer is fulfilled by submitting a form
36 to the Commission. The form shall be developed by the

1 Commission and shall include the name and address of the
2 applicant, the name and address of the manufacturer he or she
3 represents, the territory or areas assigned to sell to or
4 discuss pricing terms of alcoholic liquor, and any other
5 questions deemed appropriate and necessary. All statements in
6 the forms required to be made by law or by rule shall be deemed
7 material, and any person who knowingly misstates any material
8 fact under oath in an application is guilty of a Class B
9 misdemeanor. Fraud, misrepresentation, false statements,
10 misleading statements, evasions, or suppression of material
11 facts in the securing of a registration are grounds for
12 suspension or revocation of the registration.

13 (b) A distributor's license shall allow the wholesale
14 purchase and storage of alcoholic liquors and sale of alcoholic
15 liquors to licensees in this State and to persons without the
16 State, as may be permitted by law.

17 (c) An importing distributor's license may be issued to and
18 held by those only who are duly licensed distributors, upon the
19 filing of an application by a duly licensed distributor, with
20 the Commission and the Commission shall, without the payment of
21 any fee, immediately issue such importing distributor's
22 license to the applicant, which shall allow the importation of
23 alcoholic liquor by the licensee into this State from any point
24 in the United States outside this State, and the purchase of
25 alcoholic liquor in barrels, casks or other bulk containers and
26 the bottling of such alcoholic liquors before resale thereof,
27 but all bottles or containers so filled shall be sealed,
28 labeled, stamped and otherwise made to comply with all
29 provisions, rules and regulations governing manufacturers in
30 the preparation and bottling of alcoholic liquors. The
31 importing distributor's license shall permit such licensee to
32 purchase alcoholic liquor from Illinois licensed non-resident
33 dealers and foreign importers only.

34 (d) A retailer's license shall allow the licensee to sell
35 and offer for sale at retail, only in the premises specified in
36 such license, alcoholic liquor for use or consumption, but not

1 for resale in any form: Provided that any retail license issued
2 to a manufacturer shall only permit such manufacturer to sell
3 beer at retail on the premises actually occupied by such
4 manufacturer.

5 After January 1, 1995 there shall be 2 classes of licenses
6 issued under a retailers license.

7 (1) A "retailers on premise consumption license" shall
8 allow the licensee to sell and offer for sale at retail,
9 only on the premises specified in the license, alcoholic
10 liquor for use or consumption on the premises or on and off
11 the premises, but not for resale in any form.

12 (2) An "off premise sale license" shall allow the
13 licensee to sell, or offer for sale at retail, alcoholic
14 liquor intended only for off premise consumption and not
15 for resale in any form.

16 Notwithstanding any other provision of this subsection
17 (d), a retail licensee may sell alcoholic liquors to a special
18 event retailer licensee for resale to the extent permitted
19 under subsection (e).

20 (e) A special event retailer's license (not-for-profit)
21 shall permit the licensee to purchase alcoholic liquors from an
22 Illinois licensed distributor (unless the licensee purchases
23 less than \$500 of alcoholic liquors for the special event, in
24 which case the licensee may purchase the alcoholic liquors from
25 a licensed retailer) and shall allow the licensee to sell and
26 offer for sale, at retail, alcoholic liquors for use or
27 consumption, but not for resale in any form and only at the
28 location and on the specific dates designated for the special
29 event in the license. An applicant for a special event retailer
30 license must (i) furnish with the application: (A) a resale
31 number issued under Section 2c of the Retailers' Occupation Tax
32 Act or evidence that the applicant is registered under Section
33 2a of the Retailers' Occupation Tax Act, (B) a current, valid
34 exemption identification number issued under Section 1g of the
35 Retailers' Occupation Tax Act, and a certification to the
36 Commission that the purchase of alcoholic liquors will be a

1 tax-exempt purchase, or (C) a statement that the applicant is
2 not registered under Section 2a of the Retailers' Occupation
3 Tax Act, does not hold a resale number under Section 2c of the
4 Retailers' Occupation Tax Act, and does not hold an exemption
5 number under Section 1g of the Retailers' Occupation Tax Act,
6 in which event the Commission shall set forth on the special
7 event retailer's license a statement to that effect; (ii)
8 submit with the application proof satisfactory to the State
9 Commission that the applicant will provide dram shop liability
10 insurance in the maximum limits; and (iii) show proof
11 satisfactory to the State Commission that the applicant has
12 obtained local authority approval.

13 (f) A railroad license shall permit the licensee to import
14 alcoholic liquors into this State from any point in the United
15 States outside this State and to store such alcoholic liquors
16 in this State; to make wholesale purchases of alcoholic liquors
17 directly from manufacturers, foreign importers, distributors
18 and importing distributors from within or outside this State;
19 and to store such alcoholic liquors in this State; provided
20 that the above powers may be exercised only in connection with
21 the importation, purchase or storage of alcoholic liquors to be
22 sold or dispensed on a club, buffet, lounge or dining car
23 operated on an electric, gas or steam railway in this State;
24 and provided further, that railroad licensees exercising the
25 above powers shall be subject to all provisions of Article VIII
26 of this Act as applied to importing distributors. A railroad
27 license shall also permit the licensee to sell or dispense
28 alcoholic liquors on any club, buffet, lounge or dining car
29 operated on an electric, gas or steam railway regularly
30 operated by a common carrier in this State, but shall not
31 permit the sale for resale of any alcoholic liquors to any
32 licensee within this State. A license shall be obtained for
33 each car in which such sales are made.

34 (g) A boat license shall allow the sale of alcoholic liquor
35 in individual drinks, on any passenger boat regularly operated
36 as a common carrier on navigable waters in this State or on any

1 riverboat operated under the Riverboat Gambling Act, which boat
2 or riverboat maintains a public dining room or restaurant
3 thereon.

4 (h) A non-beverage user's license shall allow the licensee
5 to purchase alcoholic liquor from a licensed manufacturer or
6 importing distributor, without the imposition of any tax upon
7 the business of such licensed manufacturer or importing
8 distributor as to such alcoholic liquor to be used by such
9 licensee solely for the non-beverage purposes set forth in
10 subsection (a) of Section 8-1 of this Act, and such licenses
11 shall be divided and classified and shall permit the purchase,
12 possession and use of limited and stated quantities of
13 alcoholic liquor as follows:

- 14 Class 1, not to exceed 500 gallons
- 15 Class 2, not to exceed 1,000 gallons
- 16 Class 3, not to exceed 5,000 gallons
- 17 Class 4, not to exceed10,000 gallons
- 18 Class 5, not to exceed50,000 gallons

19 (i) A wine-maker's premises license shall allow a licensee
20 that concurrently holds a first-class wine-maker's license to
21 sell and offer for sale at retail in the premises specified in
22 such license not more than 50,000 gallons of the first-class
23 wine-maker's wine that is made at the first-class wine-maker's
24 licensed premises per year for use or consumption, but not for
25 resale in any form. A wine-maker's premises license shall allow
26 a licensee who concurrently holds a second-class wine-maker's
27 license to sell and offer for sale at retail in the premises
28 specified in such license up to 100,000 gallons of the
29 second-class wine-maker's wine that is made at the second-class
30 wine-maker's licensed premises per year for use or consumption
31 but not for resale in any form. A wine-maker's premises license
32 shall allow a licensee that concurrently holds a first-class
33 wine-maker's license or a second-class wine-maker's license to
34 sell and offer for sale at retail at the premises specified in
35 the wine-maker's premises license, for use or consumption but
36 not for resale in any form, any beer, wine, and spirits

1 purchased from a licensed distributor. Upon approval from the
2 State Commission, a wine-maker's premises license shall allow
3 the licensee to sell and offer for sale at (i) the wine-maker's
4 licensed premises and (ii) at up to 2 additional locations for
5 use and consumption and not for resale. Each location shall
6 require additional licensing per location as specified in
7 Section 5-3 of this Act.

8 (j) An airplane license shall permit the licensee to import
9 alcoholic liquors into this State from any point in the United
10 States outside this State and to store such alcoholic liquors
11 in this State; to make wholesale purchases of alcoholic liquors
12 directly from manufacturers, foreign importers, distributors
13 and importing distributors from within or outside this State;
14 and to store such alcoholic liquors in this State; provided
15 that the above powers may be exercised only in connection with
16 the importation, purchase or storage of alcoholic liquors to be
17 sold or dispensed on an airplane; and provided further, that
18 airplane licensees exercising the above powers shall be subject
19 to all provisions of Article VIII of this Act as applied to
20 importing distributors. An airplane licensee shall also permit
21 the sale or dispensing of alcoholic liquors on any passenger
22 airplane regularly operated by a common carrier in this State,
23 but shall not permit the sale for resale of any alcoholic
24 liquors to any licensee within this State. A single airplane
25 license shall be required of an airline company if liquor
26 service is provided on board aircraft in this State. The annual
27 fee for such license shall be as determined in Section 5-3.

28 (k) A foreign importer's license shall permit such licensee
29 to purchase alcoholic liquor from Illinois licensed
30 non-resident dealers only, and to import alcoholic liquor other
31 than in bulk from any point outside the United States and to
32 sell such alcoholic liquor to Illinois licensed importing
33 distributors and to no one else in Illinois; provided that the
34 foreign importer registers with the State Commission every
35 brand of alcoholic liquor that it proposes to sell to Illinois
36 licensees during the license period and provided further that

1 the foreign importer complies with all of the provisions of
2 Section 6-9 of this Act with respect to registration of such
3 Illinois licensees as may be granted the right to sell such
4 brands at wholesale.

5 (1) (i) A broker's license shall be required of all persons
6 who solicit orders for, offer to sell or offer to supply
7 alcoholic liquor to retailers in the State of Illinois, or who
8 offer to retailers to ship or cause to be shipped or to make
9 contact with distillers, rectifiers, brewers or manufacturers
10 or any other party within or without the State of Illinois in
11 order that alcoholic liquors be shipped to a distributor,
12 importing distributor or foreign importer, whether such
13 solicitation or offer is consummated within or without the
14 State of Illinois.

15 No holder of a retailer's license issued by the Illinois
16 Liquor Control Commission shall purchase or receive any
17 alcoholic liquor, the order for which was solicited or offered
18 for sale to such retailer by a broker unless the broker is the
19 holder of a valid broker's license.

20 The broker shall, upon the acceptance by a retailer of the
21 broker's solicitation of an order or offer to sell or supply or
22 deliver or have delivered alcoholic liquors, promptly forward
23 to the Illinois Liquor Control Commission a notification of
24 said transaction in such form as the Commission may by
25 regulations prescribe.

26 (ii) A broker's license shall be required of a person
27 within this State, other than a retail licensee, who, for a fee
28 or commission, promotes, solicits, or accepts orders for
29 alcoholic liquor, for use or consumption and not for resale, to
30 be shipped from this State and delivered to residents outside
31 of this State by an express company, common carrier, or
32 contract carrier. This Section does not apply to any person who
33 promotes, solicits, or accepts orders for wine as specifically
34 authorized in Section 6-29 of this Act.

35 A broker's license under this subsection (1) shall not
36 entitle the holder to buy or sell any alcoholic liquors for his

1 own account or to take or deliver title to such alcoholic
2 liquors.

3 This subsection (1) shall not apply to distributors,
4 employees of distributors, or employees of a manufacturer who
5 has registered the trademark, brand or name of the alcoholic
6 liquor pursuant to Section 6-9 of this Act, and who regularly
7 sells such alcoholic liquor in the State of Illinois only to
8 its registrants thereunder.

9 Any agent, representative, or person subject to
10 registration pursuant to subsection (a-1) of this Section shall
11 not be eligible to receive a broker's license.

12 (m) A non-resident dealer's license shall permit such
13 licensee to ship into and warehouse alcoholic liquor into this
14 State from any point outside of this State, and to sell such
15 alcoholic liquor to Illinois licensed foreign importers and
16 importing distributors and to no one else in this State;
17 provided that said non-resident dealer shall register with the
18 Illinois Liquor Control Commission each and every brand of
19 alcoholic liquor which it proposes to sell to Illinois
20 licensees during the license period; and further provided that
21 it shall comply with all of the provisions of Section 6-9
22 hereof with respect to registration of such Illinois licensees
23 as may be granted the right to sell such brands at wholesale.

24 (n) A brew pub license shall allow the licensee to
25 manufacture beer only on the premises specified in the license,
26 to make sales of the beer manufactured on the premises to
27 importing distributors, distributors, and to non-licensees for
28 use and consumption, to store the beer upon the premises, and
29 to sell and offer for sale at retail from the licensed
30 premises, provided that a brew pub licensee shall not sell for
31 off-premises consumption more than 50,000 gallons per year.

32 (o) A caterer retailer license shall allow the holder to
33 serve alcoholic liquors as an incidental part of a food service
34 that serves prepared meals which excludes the serving of snacks
35 as the primary meal, either on or off-site whether licensed or
36 unlicensed.

1 (p) An auction liquor license shall allow the licensee to
2 sell and offer for sale at auction wine and spirits for use or
3 consumption, or for resale by an Illinois liquor licensee in
4 accordance with provisions of this Act. An auction liquor
5 license will be issued to a person and it will permit the
6 auction liquor licensee to hold the auction anywhere in the
7 State. An auction liquor license must be obtained for each
8 auction at least 14 days in advance of the auction date.

9 (q) A special use permit license shall allow an Illinois
10 licensed retailer to transfer a portion of its alcoholic liquor
11 inventory from its retail licensed premises to the premises
12 specified in the license hereby created, and to sell or offer
13 for sale at retail, only in the premises specified in the
14 license hereby created, the transferred alcoholic liquor for
15 use or consumption, but not for resale in any form. A special
16 use permit license may be granted for the following time
17 periods: one day or less; 2 or more days to a maximum of 15 days
18 per location in any 12 month period. An applicant for the
19 special use permit license must also submit with the
20 application proof satisfactory to the State Commission that the
21 applicant will provide dram shop liability insurance to the
22 maximum limits and have local authority approval.

23 (Source: P.A. 91-357, eff. 7-29-99; 92-105, eff. 1-1-02;
24 92-378, eff. 8-16-01; 92-651, eff. 7-11-02; 92-672, eff.
25 7-16-02.)

26 (235 ILCS 5/6-2) (from Ch. 43, par. 120)

27 Sec. 6-2. Issuance of licenses to certain persons
28 prohibited.

29 (a) Except as otherwise provided in subsection (b) of this
30 Section and in paragraph (1) of subsection (a) of Section 3-12,
31 no license of any kind issued by the State Commission or any
32 local commission shall be issued to:

33 (1) A person who is not a resident of any city, village
34 or county in which the premises covered by the license are
35 located; except in case of railroad or boat licenses.

1 (2) A person who is not of good character and
2 reputation in the community in which he resides.

3 (3) A person who is not a citizen of the United States.

4 (4) A person who has been convicted of a felony under
5 any Federal or State law, unless the Commission determines
6 that such person has been sufficiently rehabilitated to
7 warrant the public trust after considering matters set
8 forth in such person's application and the Commission's
9 investigation. The burden of proof of sufficient
10 rehabilitation shall be on the applicant.

11 (5) A person who has been convicted of being the keeper
12 or is keeping a house of ill fame.

13 (6) A person who has been convicted of pandering or
14 other crime or misdemeanor opposed to decency and morality.

15 (7) A person whose license issued under this Act has
16 been revoked for cause.

17 (8) A person who at the time of application for renewal
18 of any license issued hereunder would not be eligible for
19 such license upon a first application.

20 (9) A copartnership, if any general partnership
21 thereof, or any limited partnership thereof, owning more
22 than 5% of the aggregate limited partner interest in such
23 copartnership would not be eligible to receive a license
24 hereunder for any reason other than residence within the
25 political subdivision, unless residency is required by
26 local ordinance.

27 (10) A corporation, if any officer, manager or director
28 thereof, or any stockholder or stockholders owning in the
29 aggregate more than 5% of the stock of such corporation,
30 would not be eligible to receive a license hereunder for
31 any reason other than citizenship and residence within the
32 political subdivision.

33 (10a) A corporation unless it is incorporated in
34 Illinois, or unless it is a foreign corporation which is
35 qualified under the Business Corporation Act of 1983 to
36 transact business in Illinois.

1 (11) A person whose place of business is conducted by a
2 manager or agent unless the manager or agent possesses the
3 same qualifications required by the licensee.

4 (12) A person who has been convicted of a violation of
5 any Federal or State law concerning the manufacture,
6 possession or sale of alcoholic liquor, subsequent to the
7 passage of this Act or has forfeited his bond to appear in
8 court to answer charges for any such violation.

9 (13) A person who does not beneficially own the
10 premises for which a license is sought, or does not have a
11 lease thereon for the full period for which the license is
12 to be issued.

13 (14) Any law enforcing public official, including
14 members of local liquor control commissions, any mayor,
15 alderman, or member of the city council or commission, any
16 president of the village board of trustees, any member of a
17 village board of trustees, or any president or member of a
18 county board; and no such official shall be interested
19 directly in the manufacture, sale, or distribution of
20 alcoholic liquor, except that a license may be granted to
21 such official in relation to premises that are not located
22 within the territory subject to the jurisdiction of that
23 official if the issuance of such license is approved by the
24 State Liquor Control Commission and except that a license
25 may be granted, in a city or village with a population of
26 50,000 or less, to any alderman, member of a city council,
27 or member of a village board of trustees in relation to
28 premises that are located within the territory subject to
29 the jurisdiction of that official if (i) the sale of
30 alcoholic liquor pursuant to the license is incidental to
31 the selling of food, (ii) the issuance of the license is
32 approved by the State Commission, (iii) the issuance of the
33 license is in accordance with all applicable local
34 ordinances in effect where the premises are located, and
35 (iv) the official granted a license does not vote on
36 alcoholic liquor issues pending before the board or council

1 to which the license holder is elected.

2 (15) A person who is not a beneficial owner of the
3 business to be operated by the licensee.

4 (16) A person who has been convicted of a gambling
5 offense as proscribed by any of subsections (a) (3) through
6 (a) (11) of Section 28-1 of, or as proscribed by Section
7 28-1.1 or 28-3 of, the Criminal Code of 1961, or as
8 proscribed by a statute replaced by any of the aforesaid
9 statutory provisions.

10 (17) A person or entity to whom a federal wagering
11 stamp has been issued by the federal government, unless the
12 person or entity is eligible to be issued a license under
13 the Raffles Act or the Illinois Pull Tabs and Jar Games
14 Act.

15 (18) A person who intends to sell alcoholic liquors for
16 use or consumption on his or her licensed retail premises
17 who does not have liquor liability insurance coverage for
18 that premises in an amount that is at least equal to the
19 maximum liability amounts set out in subsection (a) of
20 Section 6-21.

21 (b) A criminal conviction of a corporation is not grounds
22 for the denial, suspension, or revocation of a license applied
23 for or held by the corporation if the criminal conviction was
24 not the result of a violation of any federal or State law
25 concerning the manufacture, possession or sale of alcoholic
26 liquor, the offense that led to the conviction did not result
27 in any financial gain to the corporation and the corporation
28 has terminated its relationship with each director, officer,
29 employee, or controlling shareholder whose actions directly
30 contributed to the conviction of the corporation. The
31 Commission shall determine if all provisions of this subsection
32 (b) have been met before any action on the corporation's
33 license is initiated.

34 (Source: P.A. 92-378, eff. 8-16-01; 93-266, eff. 1-1-04.)

35 (235 ILCS 5/6-16.1)

1 Sec. 6-16.1. Enforcement actions.

2 (a) A licensee or an officer, associate, member,
3 representative, agent, or employee of a licensee may sell,
4 give, or deliver alcoholic liquor to a person under the age of
5 21 years or authorize the sale, gift, or delivery of alcoholic
6 liquor to a person under the age of 21 years pursuant to a plan
7 or action to investigate, patrol, or otherwise conduct a "sting
8 operation" or enforcement action against a person employed by
9 the licensee or on any licensed premises if the licensee or
10 officer, associate, member, representative, agent, or employee
11 of the licensee provides written notice, at least 14 days
12 before the "sting operation" or enforcement action, unless
13 governing body of the municipality or county having
14 jurisdiction sets a shorter period by ordinance, to the law
15 enforcement agency having jurisdiction, the local liquor
16 control commissioner, or both. Notice provided under this
17 Section shall be valid for a "sting operation" or enforcement
18 action conducted within 60 days of the provision of that
19 notice, unless the governing body of the municipality or county
20 having jurisdiction sets a shorter period by ordinance.

21 (b) A local liquor control commission or unit of local
22 government that conducts alcohol and tobacco compliance
23 operations shall establish a policy and standards for alcohol
24 and tobacco compliance operations to investigate whether a
25 licensee is furnishing (1) alcoholic liquor to persons under 21
26 years of age in violation of this Act or (2) tobacco to persons
27 in violation of the Sale of Tobacco to Minors Act.

28 (c) The Illinois Law Enforcement Training Standards Board
29 shall develop a model policy and guidelines for the operation
30 of alcohol and tobacco compliance checks by local law
31 enforcement officers. The Illinois Law Enforcement Training
32 Standards Board shall also require the supervising officers of
33 such compliance checks to have met a minimum training standard
34 as determined by the Board. The Board shall have the right to
35 waive any training based on current written policies and
36 procedures for alcohol and tobacco compliance check operations

1 and in-service training already administered by the local law
2 enforcement agency, department, or office.

3 (d) The provisions of subsections (b) and (c) do not apply
4 to a home rule unit with more than 2,000,000 inhabitants.

5 (e) A home rule unit, other than a home rule unit with more
6 than 2,000,000 inhabitants, may not regulate enforcement
7 actions in a manner inconsistent with the regulation of
8 enforcement actions under this Section. This subsection (e) is
9 a limitation under subsection (i) of Section 6 of Article VII
10 of the Illinois Constitution on the concurrent exercise by home
11 rule units of powers and functions exercised by the State.

12 (f) A licensee who is the subject of an enforcement action
13 or "sting operation" under this Section and is found, pursuant
14 to the enforcement action, to be in compliance with this Act
15 shall be notified by the enforcement agency action that no
16 violation was found within 30 days after the finding.

17 (Source: P.A. 92-503, eff. 1-1-02.)

18 (235 ILCS 5/7-5) (from Ch. 43, par. 149)

19 Sec. 7-5. The local liquor control commissioner may revoke
20 or suspend any license issued by him if he determines that the
21 licensee has violated any of the provisions of this Act or of
22 any valid ordinance or resolution enacted by the particular
23 city council, president, or board of trustees or county board
24 (as the case may be) or any applicable rule or regulations
25 established by the local liquor control commissioner or the
26 State commission which is not inconsistent with law. Upon
27 notification by the Illinois Department of Revenue, the State
28 Commission, in accordance with Section 3-12, may refuse the
29 issuance or renewal of a license, fine a licensee, or suspend
30 or shall revoke any license issued by the State Commission ~~it~~
31 if the licensee or license applicant has violated the
32 provisions of Section 3 of the Retailers' Occupation Tax Act.
33 In addition to the suspension, the local liquor control
34 commissioner in any county or municipality may levy a fine on
35 the licensee for such violations. The fine imposed shall not

1 exceed \$1000 for a first violation within a 12-month period,
2 \$1,500 for a second violation within a 12-month period, and
3 \$2,500 for a third or subsequent violation within a 12-month
4 period. Each day on which a violation continues shall
5 constitute a separate violation. Not more than \$15,000 in fines
6 under this Section may be imposed against any licensee during
7 the period of his license. Proceeds from such fines shall be
8 paid into the general corporate fund of the county or municipal
9 treasury, as the case may be.

10 However, no such license shall be so revoked or suspended
11 and no licensee shall be fined except after a public hearing by
12 the local liquor control commissioner with a 3 day written
13 notice to the licensee affording the licensee an opportunity to
14 appear and defend. All such hearings shall be open to the
15 public and the local liquor control commissioner shall reduce
16 all evidence to writing and shall maintain an official record
17 of the proceedings. If the local liquor control commissioner
18 has reason to believe that any continued operation of a
19 particular licensed premises will immediately threaten the
20 welfare of the community he may, upon the issuance of a written
21 order stating the reason for such conclusion and without notice
22 or hearing order the licensed premises closed for not more than
23 7 days, giving the licensee an opportunity to be heard during
24 that period, except that if such licensee shall also be engaged
25 in the conduct of another business or businesses on the
26 licensed premises such order shall not be applicable to such
27 other business or businesses.

28 The local liquor control commissioner shall within 5 days
29 after such hearing, if he determines after such hearing that
30 the license should be revoked or suspended or that the licensee
31 should be fined, state the reason or reasons for such
32 determination in a written order, and either the amount of the
33 fine, the period of suspension, or that the license has been
34 revoked, and shall serve a copy of such order within the 5 days
35 upon the licensee.

36 If the premises for which the license was issued are

1 located outside of a city, village or incorporated town having
2 a population of 500,000 or more inhabitants, the licensee after
3 the receipt of such order of suspension or revocation shall
4 have the privilege within a period of 20 days after the receipt
5 of such order of suspension or revocation of appealing the
6 order to the State commission for a decision sustaining,
7 reversing or modifying the order of the local liquor control
8 commissioner. If the State commission affirms the local
9 commissioner's order to suspend or revoke the license at the
10 first hearing, the appellant shall cease to engage in the
11 business for which the license was issued, until the local
12 commissioner's order is terminated by its own provisions or
13 reversed upon rehearing or by the courts.

14 If the premises for which the license was issued are
15 located within a city, village or incorporated town having a
16 population of 500,000 or more inhabitants, the licensee shall
17 have the privilege, within a period of 20 days after the
18 receipt of such order of fine, suspension or revocation, of
19 appealing the order to the local license appeal commission and
20 upon the filing of such an appeal by the licensee the license
21 appeal commission shall determine the appeal upon certified
22 record of proceedings of the local liquor commissioner in
23 accordance with the provisions of Section 7-9. Within 30 days
24 after such appeal was heard the license appeal commission shall
25 render a decision sustaining or reversing the order of the
26 local liquor control commissioner.

27 (Source: P.A. 93-22, eff. 6-20-03.)

28 (235 ILCS 5/7-6) (from Ch. 43, par. 150)

29 Sec. 7-6. All proceedings for the revocation or suspension
30 of licenses of manufacturers, distributors, importing
31 distributors, non-resident dealers, foreign importers,
32 non-beverage users, railroads, airplanes and boats shall be
33 before the State Commission. All such proceedings and all
34 proceedings for the revocation or suspension of a retailer's
35 license before the State commission shall be in accordance with

1 rules and regulations established by it not inconsistent with
2 law. However, no such license shall be so revoked or suspended
3 except after a hearing by the State commission with reasonable
4 notice to the licensee served by registered or certified mail
5 with return receipt requested at least 10 days prior to the
6 hearings at the last known place of business of the licensee
7 and after an opportunity to appear and defend. Such notice
8 shall specify the time and place of the hearing, the nature of
9 the charges, the specific provisions of the Act and rules
10 violated, and the specific facts supporting the charges or
11 violation. The findings of the Commission shall be predicated
12 upon competent evidence. The revocation of a local license
13 shall automatically result in the revocation of a State
14 license. Upon notification by the Illinois Department of
15 Revenue, the State Commission, in accordance with Section 3-12,
16 may refuse the issuance or renewal of a license, fine a
17 licensee, or suspend or ~~shall~~ revoke any license issued by the
18 State Commission ~~it~~ if the licensee or license applicant has
19 violated the provisions of Section 3 of the Retailers'
20 Occupation Tax Act. All procedures for the suspension or
21 revocation of a license, as enumerated above, are applicable to
22 the levying of fines for violations of this Act or any rule or
23 regulation issued pursuant thereto.

24 (Source: P.A. 93-22, eff. 6-20-03.)

25 Section 99. Effective date. This Act takes effect upon
26 becoming law.