



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB0998

Introduced 02/03/05, by Rep. Dan Reitz - Brandon W. Phelps

SYNOPSIS AS INTRODUCED:

235 ILCS 5/5-3
235 ILCS 5/8-1

from Ch. 43, par. 118
from Ch. 43, par. 158

Amends the Liquor Control Act of 1934. Provides that an applicant for a first-class wine-maker's license may submit an affirmation to the Illinois Liquor Control Commission that at least 95% of the applicant's wine is fermented from fruits and vegetables grown entirely in Illinois or honey collected entirely in Illinois and that the license fee for an applicant providing this affirmation shall be \$100 per year. Provides that a first-class wine-maker is entitled to a credit or refund of 75% of the tax imposed on each gallon of wine up to 50,000 gallons per year in any given calendar year for tax paid or payable on wine produced and sold in the State of Illinois if at least 95% of the licensee's wine is fermented from fruits or vegetables grown entirely in Illinois or honey collected entirely in Illinois. Effective immediately.

LRB094 07562 LJB 37730 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning liquor.

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

4 Section 5. The Liquor Control Act of 1934 is amended by
5 changing Sections 5-3 and 8-1 as follows:

6 (235 ILCS 5/5-3) (from Ch. 43, par. 118)

7 Sec. 5-3. License fees. Except as otherwise provided
8 herein, at the time application is made to the State Commission
9 for a license of any class, the applicant shall pay to the
10 State Commission the fee hereinafter provided for the kind of
11 license applied for.

12 The fee for licenses issued by the State Commission shall
13 be as follows:

14 For a manufacturer's license:

15	Class 1. Distiller	\$3,600
16	Class 2. Rectifier	3,600
17	Class 3. Brewer	900
18	Class 4. First-class Wine Manufacturer	600
19	Class 5. Second-class	
20	Wine Manufacturer	1,200
21	Class 6. First-class wine-maker	600
22	Class 7. Second-class wine-maker	1200
23	Class 8. Limited Wine Manufacturer	120
24	For a Brew Pub License	1,050
25	For a caterer retailer's license	200
26	For a foreign importer's license	25
27	For an importing distributor's license	25
28	For a distributor's license	270
29	For a non-resident dealer's license	
30	(500,000 gallons or over)	270
31	For a non-resident dealer's license	
32	(under 500,000 gallons)	90

1	For a wine-maker's premises license	100
2	For a wine-maker's premises license,	
3	second location	350
4	For a wine-maker's premises license,	
5	third location	350
6	For a retailer's license	500
7	For a special event retailer's license,	
8	(not-for-profit)	25
9	For a special use permit license,	
10	one day only	50
11	2 days or more	100
12	For a railroad license	60
13	For a boat license	180
14	For an airplane license, times the	
15	licensee's maximum number of aircraft	
16	in flight, serving liquor over the	
17	State at any given time, which either	
18	originate, terminate, or make	
19	an intermediate stop in the State	60
20	For a non-beverage user's license:	
21	Class 1	24
22	Class 2	60
23	Class 3	120
24	Class 4	240
25	Class 5	600
26	For a broker's license	600
27	For an auction liquor license	50
28	Fees collected under this Section shall be paid into the	
29	Dram Shop Fund. On and after July 1, 2003, of the funds	
30	received for a retailer's license, in addition to the first	
31	\$175, an additional \$75 shall be paid into the Dram Shop Fund,	
32	and \$250 shall be paid into the General Revenue Fund. Beginning	
33	June 30, 1990 and on June 30 of each subsequent year through	
34	June 29, 2003, any balance over \$5,000,000 remaining in the	
35	Dram Shop Fund shall be credited to State liquor licensees and	
36	applied against their fees for State liquor licenses for the	

1 following year. The amount credited to each licensee shall be a
2 proportion of the balance in the Dram Fund that is the same as
3 the proportion of the license fee paid by the licensee under
4 this Section for the period in which the balance was
5 accumulated to the aggregate fees paid by all licensees during
6 that period.

7 No fee shall be paid for licenses issued by the State
8 Commission to the following non-beverage users:

9 (a) Hospitals, sanitariums, or clinics when their use
10 of alcoholic liquor is exclusively medicinal, mechanical
11 or scientific.

12 (b) Universities, colleges of learning or schools when
13 their use of alcoholic liquor is exclusively medicinal,
14 mechanical or scientific.

15 (c) Laboratories when their use is exclusively for the
16 purpose of scientific research.

17 Notwithstanding any other provisions of this Section, if an
18 applicant for a first-class wine-maker's license submits an
19 affirmation in writing to the Commission on a form prescribed
20 by the Commission that a minimum of 95% of the applicant's wine
21 is fermented from fruits or vegetables grown entirely in
22 Illinois or honey collected entirely in Illinois, the license
23 fee for a first-class wine-maker's license shall be \$100 per
24 year.

25 (Source: P.A. 92-378, eff. 8-16-01; 93-22, eff. 6-20-03.)

26 (235 ILCS 5/8-1) (from Ch. 43, par. 158)

27 Sec. 8-1. A tax is imposed upon the privilege of engaging
28 in business as a manufacturer or as an importing distributor of
29 alcoholic liquor other than beer at the rate of \$0.185 per
30 gallon for cider containing not less than 0.5% alcohol by
31 volume nor more than 7% alcohol by volume, \$0.73 per gallon for
32 wine other than cider containing less than 7% alcohol by
33 volume, and \$4.50 per gallon on alcohol and spirits
34 manufactured and sold or used by such manufacturer, or as agent
35 for any other person, or sold or used by such importing

1 distributor, or as agent for any other person. A tax is imposed
2 upon the privilege of engaging in business as a manufacturer of
3 beer or as an importing distributor of beer at the rate of
4 \$0.185 per gallon on all beer manufactured and sold or used by
5 such manufacturer, or as agent for any other person, or sold or
6 used by such importing distributor, or as agent for any other
7 person. Any brewer manufacturing beer in this State shall be
8 entitled to and given a credit or refund of 75% of the tax
9 imposed on each gallon of beer up to 4.9 million gallons per
10 year in any given calendar year for tax paid or payable on beer
11 produced and sold in the State of Illinois. Any first-class
12 wine-maker in this State shall be entitled to and given a
13 credit or refund of 75% of the tax imposed on each gallon of
14 wine up to 50,000 gallons per year in any given calendar year
15 for tax paid or payable on wine produced and sold in the State
16 of Illinois if at least 95% of the licensee's wine is fermented
17 from fruits or vegetables grown entirely in Illinois or honey
18 collected entirely in Illinois.

19 For the purpose of this Section, "cider" means any
20 alcoholic beverage obtained by the alcohol fermentation of the
21 juice of apples or pears including, but not limited to,
22 flavored, sparkling, or carbonated cider.

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

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

28 A tax at the rate of 1¢ per gallon on beer and 48¢ per
29 gallon on alcohol and spirits is also imposed upon the
30 privilege of engaging in business as a retailer or as a
31 distributor who is not also an importing distributor with
32 respect to all beer and all alcohol and spirits owned or
33 possessed by such retailer or distributor when this amendatory
34 Act of 1969 becomes effective, and with respect to which the
35 additional tax imposed by this amendatory Act upon
36 manufacturers and importing distributors does not apply.

1 Retailers and distributors who are subject to the additional
2 tax imposed by this paragraph of this Section shall be required
3 to inventory such alcoholic liquor and to pay this additional
4 tax in a manner prescribed by the Department.

5 The provisions of this Section shall be construed to apply
6 to any importing distributor engaging in business in this
7 State, whether licensed or not.

8 However, such tax is not imposed upon any such business as
9 to any alcoholic liquor shipped outside Illinois by an Illinois
10 licensed manufacturer or importing distributor, nor as to any
11 alcoholic liquor delivered in Illinois by an Illinois licensed
12 manufacturer or importing distributor to a purchaser for
13 immediate transportation by the purchaser to another state into
14 which the purchaser has a legal right, under the laws of such
15 state, to import such alcoholic liquor, nor as to any alcoholic
16 liquor other than beer sold by one Illinois licensed
17 manufacturer or importing distributor to another Illinois
18 licensed manufacturer or importing distributor to the extent to
19 which the sale of alcoholic liquor other than beer by one
20 Illinois licensed manufacturer or importing distributor to
21 another Illinois licensed manufacturer or importing
22 distributor is authorized by the licensing provisions of this
23 Act, nor to alcoholic liquor whether manufactured in or
24 imported into this State when sold to a "non-beverage user"
25 licensed by the State for use in the manufacture of any of the
26 following when they are unfit for beverage purposes:

27 Patent and proprietary medicines and medicinal,
28 antiseptic, culinary and toilet preparations;

29 Flavoring extracts and syrups and food products;

30 Scientific, industrial and chemical products, excepting
31 denatured alcohol;

32 Or for scientific, chemical, experimental or mechanical
33 purposes;

34 Nor is the tax imposed upon the privilege of engaging in
35 any business in interstate commerce or otherwise, which
36 business may not, under the Constitution and Statutes of the

1 United States, be made the subject of taxation by this State.

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

5 If any alcoholic liquor manufactured in or imported into
6 this State is sold to a licensed manufacturer or importing
7 distributor by a licensed manufacturer or importing
8 distributor to be used solely as an ingredient in the
9 manufacture of any beverage for human consumption, the tax
10 imposed upon such purchasing manufacturer or importing
11 distributor shall be reduced by the amount of the taxes which
12 have been paid by the selling manufacturer or importing
13 distributor under this Act as to such alcoholic liquor so used
14 to the Department of Revenue.

15 If any person received any alcoholic liquors from a
16 manufacturer or importing distributor, with respect to which
17 alcoholic liquors no tax is imposed under this Article, and
18 such alcoholic liquor shall thereafter be disposed of in such
19 manner or under such circumstances as may cause the same to
20 become the base for the tax imposed by this Article, such
21 person shall make the same reports and returns, pay the same
22 taxes and be subject to all other provisions of this Article
23 relating to manufacturers and importing distributors.

24 Nothing in this Article shall be construed to require the
25 payment to the Department of the taxes imposed by this Article
26 more than once with respect to any quantity of alcoholic liquor
27 sold or used within this State.

28 No tax is imposed by this Act on sales of alcoholic liquor
29 by Illinois licensed foreign importers to Illinois licensed
30 importing distributors.

31 (Source: P.A. 90-625, eff. 7-10-98; 91-38, eff. 6-15-99.)

32 Section 99. Effective date. This Act takes effect upon
33 becoming law.