

1 AN ACT in relation to alcoholic liquor.

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

4 Section 5. The Liquor Control Act of 1934 is amended by
5 changing Section 8-2 as follows:

6 (235 ILCS 5/8-2) (from Ch. 43, par. 159)

7 Sec. 8-2. It is the duty of each manufacturer with
8 respect to alcoholic liquor produced or imported by such
9 manufacturer, or purchased tax-free by such manufacturer from
10 another manufacturer or importing distributor, and of each
11 importing distributor as to alcoholic liquor purchased by
12 such importing distributor from foreign importers or from
13 anyone from any point in the United States outside of this
14 State or purchased tax-free from another manufacturer or
15 importing distributor, to pay the tax imposed by Section 8-1
16 to the Department of Revenue on or before the 15th day of the
17 calendar month following the calendar month in which such
18 alcoholic liquor is sold or used by such manufacturer or by
19 such importing distributor other than in an authorized
20 tax-free manner or to pay that tax electronically as provided
21 in this Section.

22 Each manufacturer and each importing distributor shall
23 make payment under one of the following methods: (1)₇ on or
24 before the 15th day of each calendar month, file in person or
25 by United States first-class mail, postage pre-paid, with the
26 Department of Revenue, on forms prescribed and furnished by
27 the Department, a report in writing in such form as may be
28 required by the Department in order to compute, and assure
29 the accuracy of, the tax due on all taxable sales and uses of
30 alcoholic liquor occurring during the preceding month.
31 Payment of the tax in the amount disclosed by the report

1 shall accompany the report or, (2) on or before the 15th day
2 of each calendar month, electronically file with the
3 Department of Revenue, on forms prescribed and furnished by
4 the Department, an electronic report in such form as may be
5 required by the Department in order to compute, and assure
6 the accuracy of, the tax due on all taxable sales and uses of
7 alcoholic liquor occurring during the preceding month. An
8 electronic payment of the tax in the amount disclosed by the
9 report shall accompany the report. A manufacturer or
10 distributor who files an electronic report and electronically
11 pays the tax imposed pursuant to Section 8-1 to the
12 Department of Revenue on or before the 15th day of the
13 calendar month following the calendar month in which such
14 alcoholic liquor is sold or used by that manufacturer or
15 importing distributor other than in an authorized tax-free
16 manner shall pay to the Department the amount of the tax
17 imposed pursuant to Section 8-1, less a discount of 1.75%,
18 which is allowed to reimburse the manufacturer or importing
19 distributor for the expenses incurred in keeping and
20 maintaining records, preparing and filing the electronic
21 returns, remitting the tax, and supplying data to the
22 Department upon request.

23 The Department may, if it deems it necessary in order to
24 insure the payment of the tax imposed by this Article,
25 require returns to be made more frequently than and covering
26 periods of less than a month. Such return shall contain such
27 further information as the Department may reasonably require.

28 It shall be presumed that all alcoholic liquors acquired
29 or made by any importing distributor or manufacturer have
30 been sold or used by him in this State and are the basis for
31 the tax imposed by this Article unless proven, to the
32 satisfaction of the Department, that such alcoholic liquors
33 are (1) still in the possession of such importing distributor
34 or manufacturer, or (2) prior to the termination of

1 possession have been lost by theft or through unintentional
2 destruction, or (3) that such alcoholic liquors are otherwise
3 exempt from taxation under this Act.

4 The Department may require any foreign importer to file
5 monthly information returns, by the 15th day of the month
6 following the month which any such return covers, if the
7 Department determines this to be necessary to the proper
8 performance of the Department's functions and duties under
9 this Act. Such return shall contain such information as the
10 Department may reasonably require.

11 Every manufacturer and importing distributor shall also
12 file, with the Department, a bond in an amount not less than
13 \$1,000 and not to exceed \$100,000 on a form to be approved
14 by, and with a surety or sureties satisfactory to, the
15 Department. Such bond shall be conditioned upon the
16 manufacturer or importing distributor paying to the
17 Department all monies becoming due from such manufacturer or
18 importing distributor under this Article. The Department
19 shall fix the penalty of such bond in each case, taking into
20 consideration the amount of alcoholic liquor expected to be
21 sold and used by such manufacturer or importing distributor,
22 and the penalty fixed by the Department shall be sufficient,
23 in the Department's opinion, to protect the State of Illinois
24 against failure to pay any amount due under this Article, but
25 the amount of the penalty fixed by the Department shall not
26 exceed twice the amount of tax liability of a monthly return,
27 nor shall the amount of such penalty be less than \$1,000. The
28 Department shall notify the Commission of the Department's
29 approval or disapproval of any such manufacturer's or
30 importing distributor's bond, or of the termination or
31 cancellation of any such bond, or of the Department's
32 direction to a manufacturer or importing distributor that he
33 must file additional bond in order to comply with this
34 Section. The Commission shall not issue a license to any

1 applicant for a manufacturer's or importing distributor's
2 license unless the Commission has received a notification
3 from the Department showing that such applicant has filed a
4 satisfactory bond with the Department hereunder and that such
5 bond has been approved by the Department. Failure by any
6 licensed manufacturer or importing distributor to keep a
7 satisfactory bond in effect with the Department or to furnish
8 additional bond to the Department, when required hereunder by
9 the Department to do so, shall be grounds for the revocation
10 or suspension of such manufacturer's or importing
11 distributor's license by the Commission. If a manufacturer or
12 importing distributor fails to pay any amount due under this
13 Article, his bond with the Department shall be deemed
14 forfeited, and the Department may institute a suit in its own
15 name on such bond.

16 After notice and opportunity for a hearing the State
17 Commission may revoke or suspend the license of any
18 manufacturer or importing distributor who fails to comply
19 with the provisions of this Section. Notice of such hearing
20 and the time and place thereof shall be in writing and shall
21 contain a statement of the charges against the licensee. Such
22 notice may be given by United States registered or certified
23 mail with return receipt requested, addressed to the person
24 concerned at his last known address and shall be given not
25 less than 7 days prior to the date fixed for the hearing. An
26 order revoking or suspending a license under the provisions
27 of this Section may be reviewed in the manner provided in
28 Section 7-10 of this Act. No new license shall be granted to
29 a person whose license has been revoked for a violation of
30 this Section or, in case of suspension, shall such suspension
31 be terminated until he has paid to the Department all taxes
32 and penalties which he owes the State under the provisions of
33 this Act.

34 Every manufacturer or importing distributor who has, as

1 verified by the Department, continuously complied with the
2 conditions of the bond under this Act for a period of 2 years
3 shall be considered to be a prior continuous compliance
4 taxpayer. In determining the consecutive period of time for
5 qualification as a prior continuous compliance taxpayer, any
6 consecutive period of time of qualifying compliance
7 immediately prior to the effective date of this amendatory
8 Act of 1987 shall be credited to any manufacturer or
9 importing distributor.

10 Every prior continuous compliance taxpayer shall be
11 exempt from the bond requirements of this Act until the
12 Department has determined the taxpayer to be delinquent in
13 the filing of any return or deficient in the payment of any
14 tax under this Act. Any taxpayer who fails to pay an
15 admitted or established liability under this Act may also be
16 required to post bond or other acceptable security with the
17 Department guaranteeing the payment of such admitted or
18 established liability.

19 The Department shall discharge any surety and shall
20 release and return any bond or security deposit assigned,
21 pledged or otherwise provided to it by a taxpayer under this
22 Section within 30 days after: (1) such taxpayer becomes a
23 prior continuous compliance taxpayer; or (2) such taxpayer
24 has ceased to collect receipts on which he is required to
25 remit tax to the Department, has filed a final tax return,
26 and has paid to the Department an amount sufficient to
27 discharge his remaining tax liability as determined by the
28 Department under this Act.

29 Section 99. Effective date. This Act takes effect
30 January 1, 2003.