

# HB5099



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

HB5099

Introduced 1/29/2010, by Rep. Mike Bost

#### SYNOPSIS AS INTRODUCED:

235 ILCS 5/8-1

Amends the Liquor Control Act of 1934. Provides that, beginning on January 1, 2011, of the proceeds from the tax imposed under the Act on wine other than cider containing less than 7% alcohol per volume, 2¢ per gallon shall be deposited into the Grape and Wine Resources Fund. Effective immediately.

LRB096 15740 HLH 30979 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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

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

6 (235 ILCS 5/8-1)

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

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

9 For the purpose of this Section, "cider" means any  
10 alcoholic beverage obtained by the alcohol fermentation of the  
11 juice of apples or pears including, but not limited to,  
12 flavored, sparkling, or carbonated cider.

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

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

18 A tax at the rate of 1¢ per gallon on beer and 48¢ per  
19 gallon on alcohol and spirits is also imposed upon the  
20 privilege of engaging in business as a retailer or as a  
21 distributor who is not also an importing distributor with  
22 respect to all beer and all alcohol and spirits owned or  
23 possessed by such retailer or distributor when this amendatory  
24 Act of 1969 becomes effective, and with respect to which the  
25 additional tax imposed by this amendatory Act upon  
26 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:

1 Patent and proprietary medicines and medicinal,  
2 antiseptic, culinary and toilet preparations;

3 Flavoring extracts and syrups and food products;

4 Scientific, industrial and chemical products, excepting  
5 denatured alcohol;

6 Or for scientific, chemical, experimental or mechanical  
7 purposes;

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

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

15 If any alcoholic liquor manufactured in or imported into  
16 this State is sold to a licensed manufacturer or importing  
17 distributor by a licensed manufacturer or importing  
18 distributor to be used solely as an ingredient in the  
19 manufacture of any beverage for human consumption, the tax  
20 imposed upon such purchasing manufacturer or importing  
21 distributor shall be reduced by the amount of the taxes which  
22 have been paid by the selling manufacturer or importing  
23 distributor under this Act as to such alcoholic liquor so used  
24 to the Department of Revenue.

25 If any person received any alcoholic liquors from a  
26 manufacturer or importing distributor, with respect to which

1 alcoholic liquors no tax is imposed under this Article, and  
2 such alcoholic liquor shall thereafter be disposed of in such  
3 manner or under such circumstances as may cause the same to  
4 become the base for the tax imposed by this Article, such  
5 person shall make the same reports and returns, pay the same  
6 taxes and be subject to all other provisions of this Article  
7 relating to manufacturers and importing distributors.

8 Nothing in this Article shall be construed to require the  
9 payment to the Department of the taxes imposed by this Article  
10 more than once with respect to any quantity of alcoholic liquor  
11 sold or used within this State.

12 No tax is imposed by this Act on sales of alcoholic liquor  
13 by Illinois licensed foreign importers to Illinois licensed  
14 importing distributors.

15 All of the proceeds of the additional tax imposed by Public  
16 Act 96-34 ~~this amendatory Act of the 96th General Assembly~~  
17 shall be deposited by the Department into the Capital Projects  
18 Fund. The remainder of the tax imposed by this Act shall be  
19 deposited by the Department into the General Revenue Fund,  
20 except that, beginning on January 1, 2011, 2¢ per gallon of the  
21 tax imposed under this Act on wine other than cider containing  
22 less than 7% alcohol per volume shall be deposited into the  
23 Grape and Wine Resources Fund.

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

26 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38,

1 eff. 7-13-09; revised 8-20-09.)

2 Section 99. Effective date. This Act takes effect upon  
3 becoming law.