



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB0303

Introduced 01/31/11, by Rep. Mike Bost

SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.786 new
235 ILCS 5/8-1

Amends the State Finance Act. Creates the Grow Illinois Jobs Fund. Amends the Liquor Control Act of 1934. Provides that, beginning on January 1, 2012, of the proceeds from the tax imposed under the Act on wine other than cider containing less than 7% alcohol per volume, 2 cents per gallon shall be deposited into the Grow Illinois Jobs Fund. Provides that the moneys in the Fund shall be equally distributed between the Department of Agriculture and the Department of Commerce and Economic Opportunity for the specific purpose of developing and promoting the grape and wine industry in Illinois. Effective immediately.

LRB097 02867 ASK 42889 b

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 State Finance Act is amended by adding
5 Section 5.786 as follows:

6 (30 ILCS 105/5.786 new)

7 Sec. 5.786. The Grow Illinois Jobs Fund.

8 Section 10. The Liquor Control Act of 1934 is amended by
9 changing Section 8-1 as follows:

10 (235 ILCS 5/8-1)

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

1 manufacturer, or as agent for any other person, or sold or used
2 by such importing distributor, or as agent for any other
3 person. A tax is imposed upon the privilege of engaging in
4 business as a manufacturer of beer or as an importing
5 distributor of beer at the rate of \$0.185 per gallon until
6 September 1, 2009 and \$0.231 per gallon beginning September 1,
7 2009 on all beer manufactured and sold or used by such
8 manufacturer, or as agent for any other person, or sold or used
9 by such importing distributor, or as agent for any other
10 person. Any brewer manufacturing beer in this State shall be
11 entitled to and given a credit or refund of 75% of the tax
12 imposed on each gallon of beer up to 4.9 million gallons per
13 year in any given calendar year for tax paid or payable on beer
14 produced and sold in the State of Illinois.

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

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

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

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

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

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

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

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

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

9 Flavoring extracts and syrups and food products;

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

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

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

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

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

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

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

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

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

21 All of the proceeds of the additional tax imposed by Public
22 Act 96-34 shall be deposited by the Department into the Capital
23 Projects Fund. The remainder of the tax imposed by this Act
24 shall be deposited by the Department into the General Revenue
25 Fund, except that, beginning on January 1, 2012, 2 cents per
26 gallon of the tax imposed under this Act on wine other than

1 cider containing less than 7% alcohol per volume shall be
2 deposited into the Grow Illinois Jobs Fund, a special fund
3 created in the State treasury, and the moneys in the Fund shall
4 be equally distributed between the Department of Agriculture
5 and the Department of Commerce and Economic Opportunity for the
6 specific purpose of developing and promoting the grape and wine
7 industry in Illinois.

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

10 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38,
11 eff. 7-13-09; 96-1000, eff. 7-2-10.)

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