



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB2035

Introduced 2/26/2021, by Sen. Antonio Muñoz

SYNOPSIS AS INTRODUCED:

235 ILCS 5/8-10.5 new

Amends the Liquor Control Act of 1934. Provides that a brewer who is a class 1 brewer, class 2 brewer, or brew pub licensee shall accurately measure the quantity of beer transferred into its final packaging container to determine the brewer's tax liability by converting beer production into the amount of beer sold and to ensure compliance with any production or self-distribution quantity limitations applicable to the class 1 brewer, class 2 brewer, or brew pub. Requires a brewer subject to the provisions to file with the Department of Revenue and the Illinois Liquor Control Commission a verified report listing the total amount of beer production, any amounts sold directly to a licensed retailer, and any amounts sold directly to a consumer. Provides that a distributor is responsible for payment of the tax for all beer sold by the distributor. Provides that the Department, in cooperation with the State Commission, shall audit on an annual basis the amount a class 1 brewer, class 2 brewer, or brew pub licensee produces to determine their compliance with any production or self-distribution quantity limitations applicable to the class 1 brewer, class 2 brewer, or brew pub. Requires a class 1 brewer, class 2 brewer, or brew pub to file with the Department and State Commission, on a quarterly basis, their purchase, inventory, and use of water, grain, malt, barley, sugar, fruit, honey, and any other fermentable sugar used. Provides that a brewer's failure to comply with the provisions shall result in the State Commission issuing a fine or suspending or revoking the brewer's license. Contains other recordkeeping and reporting requirements. Defines terms. Effective January 1, 2022.

LRB102 13325 RPS 18669 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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 adding Section 8-10.5 as follows:

6 (235 ILCS 5/8-10.5 new)

7 Sec. 8-10.5. Beer production quantity reporting.

8 As used in this Section, "directly" means that a licensed
9 distributor was not used in the transaction.

10 As used in this Section, "final packaging container" means
11 the last vessel in which beer is held before (i) consumption by
12 an individual on the brewer's licensed premises; (ii) being
13 placed in a keg, bottle, or can for consumption by an
14 individual; or (iii) being removed for additional fermentation
15 and aging in a cask or barrel.

16 A brewer who is a class 1 brewer, class 2 brewer, or brew
17 pub licensee shall accurately measure the quantity of beer
18 transferred into its final packaging container to determine
19 the brewer's tax liability by converting beer production into
20 the amount of beer sold and to ensure compliance with any
21 production or self-distribution quantity limitations under
22 this Act applicable to the class 1 brewer, class 2 brewer, or
23 brew pub. The measurement shall comply with 27 CFR 25.41 and 27

1 CFR 25.42. Any brewer subject to this Section shall file
2 monthly with the Department and the State Commission a
3 verified report on a form prescribed by the Department listing
4 the total amount of beer production, any amounts sold directly
5 to a licensed retailer, and any amounts sold directly to a
6 consumer. The Department, in cooperation with the State
7 Commission, shall audit on an annual basis the amount a class 1
8 brewer, class 2 brewer, or brew pub licensee produces to
9 determine their compliance with any production or
10 self-distribution quantity limitations under this Act
11 applicable to the class 1 brewer, class 2 brewer, or brew pub.
12 A distributor is responsible for payment of the tax for all
13 beer sold by the distributor. A class 1 brewer, class 2 brewer,
14 or brew pub shall file on a quarterly basis with the Department
15 and State Commission on a form prescribed by the Department a
16 report of their purchase, inventory, and use of water, grain,
17 malt, barley, sugar, fruit, honey, and any other fermentable
18 sugar used along with their "Brewer's Report of Operations"
19 filed with the U.S. Department of Treasury's Alcohol and
20 Tobacco Tax and Trade Bureau and shall maintain and produce
21 for examination and inspection by the Department and the State
22 Commission invoices of their purchase of grain, malt, barley,
23 and water for 3 years along with their "Brewer's Report of
24 Operations" filed with the U.S. Department of Treasury's
25 Alcohol and Tobacco Tax and Trade Bureau.

26 A brewer's failure to comply with this Section shall

1 result in the State Commission issuing a fine or suspending or
2 revoking the brewer's license.

3 Section 99. Effective date. This Act takes effect January
4 1, 2022.