



ILLINOIS LIQUOR CONTROL COMMISSION

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Illinois Liquor Control Commission Statement on Rule Proposal for Coupons/Rebates

The Illinois Liquor Control Act (“Act”) expressly prohibits a licensed alcoholic liquor manufacturer, importer, non-resident dealer, or distributor (collectively, “Industry Members”) from providing anything “of value” to a licensed retailer of alcoholic liquor (“Retailer”) unless the Act or Illinois Liquor Control Commission Rules (“Rules”) expressly authorize such “of value” transfers. 235 ILCS 5/6-5. In light of the “of value” prohibitions in the Act, Industry Members that provide consumer coupons or rebate reimbursements to Retailers for a consumer price discount require express authorization by the Act or Rules for the coupon or reimbursement to be compliant. No current provision of the Act or Rules expressly authorizes an Industry Member to provide coupons or price discount reimbursements to Retailers.

In consideration of the current law related to the use of Industry Member funded alcoholic liquor coupons and rebates, the Illinois Liquor Control Commission is proposing an Administrative Rule to authorize the limited use of Industry Member funded coupons and rebates that will provide both large and small Illinois retail businesses with reasonable and equitable coupon and rebate funding without creating Industry Member tied houses which threaten a competitive alcohol beverage marketplace. A summary of the features of the proposed Administrative Rule are as follows:

- Authorization of the use of Industry Member coupons in retailer publications, newspapers, and other traditional print media outlets.
- Authorization of digital couponing through the use of phone apps and text messaging.
- Authorization of cross-merchandise coupons to allow the consumer to receive discounts on non-alcoholic products.
- Ensuring transparency in couponing practices by requiring the face of the coupon to include a statement that the coupon can be redeemed by all participating retailers.
- Ensuring small retail outlets receive their fair share and proportionate number of coupon and rebate opportunities.
- Promoting responsible consumption by prohibiting coupons that “give away” alcoholic liquor.
- Eliminating coupon and discount reimbursement practices that favor large retailers over small retailers.

The Commission will propose an administrative rule through the rulemaking procedures established by the Illinois Administrative Procedure Act which include review by the Illinois General Assembly’s Joint Committee on Administrative Rules (“JCAR”). As part of the rulemaking process, the Commission will consider comments and proposed amendments to the proposed rule from all interested parties after the completion of the First Notice period. At the conclusion of the Second Notice period, the Commission will be prepared to answer questions about the rule from members of JCAR.

At the conclusion of the rulemaking process, whether or not the proposed rule is approved for publication, the Commission will educate licensees on legal coupon/rebate practices and will actively enforce the Act and Rules on the subject of coupons and rebates.