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Illinois Liquor Control Commission
COVID-19 Related Action
Guidance on Retailer to Distributor Alcoholic Liquor Returns
November 16, 2020

Both Federal and State of Illinois alcohol beverage laws generally prohibit the sale of alcoholic liquor (beer, wine, spirits) from a distributor to a retailer on consignment, under a conditional sale, or with the privilege of return.

For the purpose of reducing the recent increase in COVID cases, the Governor has found it necessary to require additional mitigations on restaurants and bars. The mitigations include a prohibition on the indoor consumption of food and beverages at restaurants and bars. Because it is unlikely the restrictions on indoor food and beverage consumption were anticipated when retailers purchased alcoholic liquor from distributors, the Illinois Liquor Control Commission is authorizing returns of beer, wine, and spirits (“Alcoholic Liquor Returns”) under the following conditions:

(The term “Distributor” includes any licensee authorized by law to sell alcoholic liquor to licensed retailers.)

1. Alcoholic Liquor Returns are authorized for COVID-19 impacted product only for purchases and deliveries made on or after October 1, 2020 and on or before November 15, 2020.
2. Retailers shall request an Alcoholic Liquor Return no later than December 15, 2020.
3. Alcoholic Liquor Returns are authorized only for retailers licensed to sell alcoholic liquor for on-premises consumption or combined on/off-premises consumption.
4. Alcoholic Liquor Returns are authorized for beer, wine, and spirits in the original case and untapped keg only.
5. Alcoholic Liquor Returns are only authorized for credit against outstanding indebtedness or future indebtedness. No returns for cash or same/similar products are permitted.
6. This return policy shall not be construed to create a mandatory obligation by a Distributor to accept an Alcoholic Liquor Return.
7. If a Distributor accepts Alcoholic Liquor Returns under these conditions, it shall accept such returns from all similarly situated retailers. Distributors criteria for accepting returns shall not be based on the volume of business transactions between Distributor and retailer or on the indebtedness of the retailer.
8. The original sale of the beer, wine, and spirits cannot have been made to the retailer with the privilege of return.
9. The Alcoholic Liquor Return cannot be a part of pattern of sales and returns made between a Distributor and a retailer.
10. All Alcoholic Liquor Returns (pursuant to this bulletin) shall be documented by a notation on a credit invoice as a “October/November 2020 COVID-19 Return” or by a substantially similar notation. All such records shall be maintained according to all State Commission records retention and records availability rules (e.g. retailer 90-day invoice requirement; three years records retention schedule).

Alcoholic Liquor Returns under the conditions cited above are temporary and authorized only as a measure to assist licensed businesses during the COVID-19 crisis.