

**Illinois Department of Revenue
Regulations**

Title 86 Part 420 Section 420.140 Tax-Free Sales of Alcoholic Liquor for Use Aboard Ships Operating in Foreign Commerce Outside the Continental Limits of the United States
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**TITLE 86: REVENUE
PART 420
LIQUOR CONTROL ACT**

Section 420.140 Tax-Free Sales of Alcoholic Liquor for Use Aboard Ships Operating in Foreign Commerce Outside the Continental Limits of the United States

- a) Subject to the conditions stated in this Section, Illinois licensed manufacturers and importing distributors of alcoholic liquor may make tax-free sales of alcoholic liquor to operators of ships docked in the Port of Chicago where such liquor will be used aboard those ships operating in foreign commerce outside the continental limits of the United States. However, such sales of alcoholic liquor may not be made tax-free for use on ships operating exclusively on the Great Lakes or the St. Lawrence Seaway between the United States and Canadian ports.
- b) In order for the exemption to apply where the alcoholic liquor will be used aboard ships operating in foreign commerce outside the continental limits of the United States, the sale must be made by an Illinois licensed manufacturer or importing distributor. Only alcoholic liquor that is exempt from the Federal tax can qualify for the exemption provided for in this Section.
- c) In addition, to sustain a claim to such exemption, the manufacturer or importing distributor shall, upon request of the Department, supply a written statement for the month in which the exemption is claimed, showing the following information:
 - 1) The name of the manufacturer or importing distributor making the sale;
 - 2) the name of the ship to which the manufacturer or importing distributor delivers the alcoholic liquor and the name of the shipping line operating such ship;
 - 3) the kind of alcoholic liquor (including the tax rate category applicable to each product, as described in Section 420.10(a)(1) of this Part) delivered to such purchaser, and the quantity of each such kind of alcoholic liquor so delivered;
 - 4) the date and place of such delivery; and
 - 5) a statement that the alcoholic liquor is to be used aboard such ship in foreign commerce outside the continental limits of the United States.
- d) This deduction or claimed exemption must be substantiated by the records the manufacturer or importing distributor keeps to comply with customs' requirements of the

Federal Government, and such records must be made available to the Department on request for examination at any time during the usual business hours of the day.

(Source: Amended at 27 Ill. Reg. 830, effective January 3, 2003)