

**Illinois Department of Revenue  
Regulations**

**Title 86 Part 420 Section 420.30 Shipments of Alcoholic Liquors Out of Illinois**

**TITLE 86: REVENUE  
PART 420  
LIQUOR CONTROL ACT**

**Section 420.30 Shipments of Alcoholic Liquors Out of Illinois**

a) Pick-Ups in Illinois By Purchasers:

- 1) Manufacturers and importing distributors of alcoholic liquor incur liquor gallonage tax liability when they deliver alcoholic liquor in Illinois to a purchaser from another state, notwithstanding the fact that the purchaser immediately takes or sends the liquor out of Illinois for sale or use outside Illinois, if the liquor is destined for a state into which the purchaser has no legal right, under the laws of such state, to import such alcoholic liquor.
- 2) Illinois licensed manufacturers and importing distributors of alcoholic liquor are not liable for payment of liquor gallonage taxes when they deliver alcoholic liquor in Illinois to purchasers who, in their own transportation equipment, immediately transport such alcoholic liquor to a point outside Illinois for sale or use outside Illinois, provided that the purchaser is authorized by the laws of the state of destination to make such importation of alcoholic liquor into that state. When claiming tax exemption under this paragraph, the manufacturer or importing distributor shall identify such transaction as a "pick-up" on a separate Schedule "C", "Tax-Free Alcoholic Liquor Sales in Interstate Commerce and Foreign Trade", which shall accompany the Liquor Revenue Return filed with the Department by such manufacturer or importing distributor, and each such transaction shall be described in detail on each separate Schedule. To support claimed tax exemption in the type of case under discussion, the manufacturer or importing distributor shall retain, among his books and records, invoices, delivery receipts, copies of reports (if any) required to be made by purchasers to officials of the states into which the purchasers import such alcoholic liquor and any other evidence which will assist in showing that the alcoholic liquor in question was taken out of Illinois by a person who is authorized to make such importation of alcoholic liquor into the state of destination. The Department reserves the right to make such investigations and to require such additional proof as it may deem necessary to establish the accuracy of claims to tax exemption under this subsection (a)(2).

b) Shipments Out of Illinois by Manufacturers or Importing Distributors:

- 1) Manufacturers or importing distributors are not liable for gallonage taxes with respect to any alcoholic liquors sold by them and shipped by them to points outside Illinois for use outside this State. The burden of proof to sustain

deductions claimed on Liquor Revenue Returns and accompanying Schedules is on the manufacturer or importing distributor who claims any such deduction.

- 2) In the event that alcoholic liquors are transported, on order of the purchaser, from a point in this State to a point outside this State by common carrier, the Department of Revenue may request and will regard the original, a photostatic copy of the original or a certified copy of a waybill, freight bill or bill of lading issued by such common carrier and showing a destination outside Illinois, and requiring delivery outside this State, as evidence in support of the deduction.
- 3) The term "common carrier" includes "common carrier by motor vehicle" and for the purposes of this regulation "common carrier by vehicle" means a carrier of property who acts generally and continuously as a common carrier, and who has obtained a Certificate of Public Convenience and Necessity or a Permit from the Interstate Commerce Commission to engage in the transportation of property between points in different states. No waybill, freight bill or bill of lading issued by any carrier by motor vehicle other than a common carrier, as defined above, will be considered by the Department as satisfactory evidence in support of a deduction.
- 4) In the event that alcoholic liquors are transported by the seller in his own transportation equipment, on order of the purchaser, from a point in this State to a point outside this State, the Department may request and will regard the following as acceptable evidence of such delivery outside this State:
  - A) If the state in which such delivery is made by the seller or his agent requires the purchaser in that state to file a report of his importations into that state, then the Illinois seller must have a copy of such report by the purchaser, relative to the delivery in issue, among such seller's books and records.
  - B) If the purchaser's state does not require him to file a report of the importation with officials of such state, the seller must have, among his books and records, a copy of his (the seller's) invoice covering the sale and delivery and an affidavit from the purchaser stating that the alcoholic liquors covered by such invoice were delivered by the seller or his agent and received on a specified date at the designated out-of-State address, which address must be the address of premises owned, leased or otherwise legally possessed by the purchaser.
    - i) However, if, upon investigation, the purchaser is found not to be the owner, lessee or other lawful possessor of the premises designated in the copy of the seller's invoice or other documents required herein at the time of the purported delivery, the transaction will not be regarded as a tax-free sale.
    - ii) If the purchaser actually accepts delivery in this State, notwithstanding the possession by the seller of any of the types of evidence referred to above, the transaction will not be regarded as a tax-free sale even though the purchaser transports such

alcoholic liquors outside this State, unless the transaction qualifies for exemption under subsection (a)(2) of this Section.

- iii) In connection with any claimed exemption from tax on the ground of interstate commerce, the Department reserves the right to require such additional proof as may appear to be necessary.

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