

**Liquor Retailers Report Liquor Purchases****Informational Bulletin**

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Director of Revenue

**For information  
or forms...**

- ◆ Call us at:  
1 800 732-8866 or  
217 782-3336
- ◆ Call our TDD  
(telecommunications device  
for the deaf) at:  
1 800 544-5304
- ◆ Write us at:  
Illinois Department of Revenue  
P.O. Box 19044  
Springfield, IL 62794-9044
- ◆ Visit our Web site at:  
[www.Iltax.com](http://www.Iltax.com)
- ◆ Call  
"Illinois Tax Fax," our  
fax-on-demand service, at:  
217 785-3400
- ◆ Call  
our 24-hour  
Forms Order Line at:  
1 800 356-6302

**To:****All retailers of alcoholic liquor**

Beginning **October 1, 2003**, certain retailers who sell alcoholic liquor must report the total dollar amount paid to their distributors for purchases of alcoholic liquor. At the same time, liquor distributors will file a report with us that shows the value of alcoholic liquor invoiced and delivered to each retailer.

We will require some taxpayers to report their liquor purchases (and file Form ST-1, Sales and Use Tax Return) using our sales and use tax TeleFile program.

This bulletin addresses both of these issues.

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**Information about liquor  
purchases reporting re-  
quirements****What is "alcoholic liquor"?**

The term "alcoholic liquor" is defined in the Liquor Control Act of 1934, and includes alcohol, spirits, wine and beer, and every liquid or solid, patented or not, containing alcohol, spirits, wine or beer, and capable of being consumed as a beverage by a human being. The term does not include alcohol used in the qualified manufacture of denatured alcohol, or any liquid or solid containing one-half of one per cent, or less, of alcohol by volume.

**Am I required to report my  
liquor purchases?**

You must report your liquor purchases if you sell alcoholic liquor at retail and

- ◆ you are **not** a liquor manufacturer, importing distributor, or airline; and
- ◆ you are **not** required to remit quarter-monthly sales and use tax payments (using Form RR-3 or by electronic funds transfer).

**How do I report my liquor  
purchases?**

We have added Line A to both Form ST-1, Sales and Use Tax Return, and a new worksheet, Form ST-1-T, Illinois Sales and Use Tax TeleFile Worksheet, that we have created for liquor retailers who will be required to use the TeleFile system. Use Line A to report your total liquor purchases.

**What amounts do I include on  
Line A?**

You must include the total value of all alcoholic liquor invoiced and delivered to you during the liability period, regardless of when you actually remit payment to your distributor.

**Example:** You are required to file your sales tax return on a monthly basis. You receive an invoice for a delivery made on October 15, 2003, but you are not required to pay your distributor until November 15, 2003. You must report the value of the October 15, 2003, delivery on Line A of the return that you file for your October liability period (due November 20, 2003), even though you did not pay for that delivery until your November liability period.

If you purchase alcoholic liquor from more than one distributor, add your purchases from each distributor and write the total on Line A.

**When must I begin reporting  
my total liquor purchases?**

You must report this information to us beginning with the October 2003 liability period.

By the 10th day of each month, each of your distributors will give you a statement that identifies the total amount you purchased during the previous month.

For example, each of your distributors will give you a report for your total October purchases on or before November 10th.

Distributors may provide a summary for the month on the bottom of each of your invoices or on a separate report.

**Note:** Your distributors may ask you to provide your Illinois Business Tax (IBT) number because they also are required to report your total purchases to us.

### What must I do if I do not receive a statement from my distributor?

If you do not receive a statement from one of your distributors, add the purchases from each invoice you received from that distributor during the liability period. Include this amount in the total that you write on Line A. Keep this calculation in your books and records.

### What happens if I do not report my alcoholic liquor purchases?

If you do not report your alcoholic liquor purchases, we have the authority to contact the Liquor Control Commission and to ask them to revoke your Illinois liquor license.

## Information about our TeleFile System and who is required to use it

### What is TeleFile?

TeleFile is an electronic filing program that allows qualified taxpayers to file Form ST-1, Sales and Use Tax Return, by telephone. Taxpayers may also choose to pay electronically by enrolling in our Electronic Funds Transfer (EFT) Program for the EFT debit payment option. This provides taxpayers a convenient way to file

and pay in one call to a toll-free number we provide.

### How does TeleFile work?

TeleFile is available 24 hours a day, seven days a week. You dial a toll-free number and use your telephone keypad to enter information for your sales tax return. TeleFile calculates your tax, retailer's discount, subtotal, and total lines and tells you these amounts, thereby eliminating mathematical errors.

TeleFile repeats your entries so that you can verify them and correct any errors before you complete the filing of your return and provides a confirmation number as proof that your return was accepted.

### Who must TeleFile?

We will review our records to determine if you must use TeleFile to file your return or if you must file a paper Form ST-1.

If we determine that you must use TeleFile, we will send you a letter that includes your personal identification number (PIN), provide instructions on how to use the TeleFile system, and give you Form ST-1-T, Sales and Use Tax TeleFile Worksheet, and instructions. Keep your PIN in a safe place. Your PIN is used to access the TeleFile system and serves as your electronic signature.

If you receive a preprinted TeleFile worksheet, you may **not** elect to file using a paper Form ST-1 except in the following limited circumstances:

- ◆ You have more than one business location.
- ◆ You need to use Line 17 of Form ST-1 to report the amount of prepaid Illinois Sales Tax on motor fuel.
- ◆ You need to use Line 18 of Form ST-1 to report the amount

of quarter-monthly payments that you remitted.

- ◆ You need to report an amount on one of the following lines on Form ST-1:
  - **Line 8a**, Receipts taxed at other rates
  - **Line 14a**, Purchases at other rates
  - **Line 22**, Excess tax collected
  - **Line 24**, Credit memorandum

If you need to report an amount on Lines 8a, 14a, 22, or 24, call our Central Registration Division at 1 217 785-3707, and request that a paper Form ST-1 be sent to you. Resume using TeleFile the first liability period for which you do not need to report an amount on these lines.

If you have more than one business location, prepay Illinois Sales Tax on motor fuel, or are required to remit quarter-monthly payments, you are not required to use TeleFile. Call our Central Registration Division at 1 217 785-3707, and request that a paper Form ST-1 be sent to you and that we update our records.

### What method will I use to make my tax payment?

You may pay by Electronic Funds Transfer (EFT) or by check. If you do not currently pay by EFT but would like to know more about it for future payments, please contact us. Our addresses and telephone numbers are on the front left side of this bulletin. If you prefer, you may send your question about TeleFile or EFT by email to [sttefile@revenue.state.il.us](mailto:sttefile@revenue.state.il.us).

If you pay by check, detach the ST-1 TeleFile payment coupon from the bottom of your worksheet and mail it, along with your payment, to the address printed on the coupon.