



informational

Bulletin

Wine Sales to Illinois Purchasers by Out-of-State Sellers of Wine

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This bulletin is written to inform you of recent changes; it does not replace statutes, rules and regulations, or court decisions.

Illinois Department of Revenue
For information or forms
Visit our website at:
tax.illinois.gov

Register and file your return online at:
mytax.illinois.gov

Call us at:
217 785-3707

Illinois Liquor Control Commission
For information or forms
Visit our website at:
ILCC.illinois.gov

Call us at:
312 814-2206 or
217 782-2136

To: Out-of-state sellers of wine to Illinois purchasers

Due to recent announcements affecting remote sellers, the following bulletin provides specific guidance for out-of-state persons selling and shipping wine to Illinois purchasers for personal use and consumption and not for resale.

Wine may not be shipped into Illinois by out-of-state sellers to individual Illinois purchasers unless the seller is:

- licensed in its home state to manufacture wine and also licensed with the Illinois Liquor Control Commission as a Winery Shipper's Licensee ([see 235 ILCS 5/5-1\(r\)](#)), and
- registered with the Illinois Department of Revenue to collect and remit Illinois Use Tax and pay Illinois Liquor Gallonage Tax.

How do I become licensed with the Illinois Liquor Control Commission to sell wine to individual Illinois purchasers?

Apply for the Illinois Winery Shipper's License ("Direct Shipping Permit") with the [Illinois Liquor Control Commission](#) by submitting a complete [Form IL 095-0634](#). On the application, select the category of "Out-of-State Winery Shipper's License."

- A winery shipper's licensee may only ship wine produced by the licensee. A winery shipper's licensee may ship the wine either directly or indirectly through a third-party provider. If using a third-party provider you must include specific information on the application to authorize these shipments.
- Required with the initial license application: (1) a copy of your current home state's Manufacturer's Liquor License, (2) all federal label approval(s) for any product being shipped to Illinois purchasers, and (3) a Financial Responsibility Bond or Financial Institution Irrevocable Letter of Credit Bond (\$1,000 minimum).
- Your Winery Shipper's License with the Illinois Liquor Control Commission will not be issued until you are registered with the Illinois Department of Revenue with a Sales Tax Account ID. (See the next page for more information.)



How do I register with the Illinois Department of Revenue?

Register with the Department electronically using MyTax Illinois, available at mytax.illinois.gov:

To register your business with Illinois, click on “Registration,” and then “Register a New Business” to complete Form REG-1, Illinois Business Registration Application. After you receive an email that the application has been processed, allow one business day before signing up for a MyTax Illinois account. To create a MyTax Illinois account, return to MyTax Illinois, click the “Sign up Now” button, and then submit the requested information.

If you already have a MyTax Illinois account, you can register for new tax types by simply logging into your MyTax Illinois account and clicking on “Register for New Tax Accounts” to complete the registration.

Contact our Central Registration Division at 217 785-3707 for information or assistance with registering your business.

Are there special instructions for completing the registration (Form REG-1)?

You must complete all applicable fields on the Form REG-1 and make sure to do the following.

- If registering in MyTax Illinois, choose “Retail” as the primary business activity and “Liquor” as the primary business type. If you do not register in MyTax, and you submit the paper Form REG-1, include a description of your wine selling and shipment activities on Line 11.
- Check “General merchandise” and “Retail.”
- Check the box to indicate that you are making sales to Illinois customers from a location outside of Illinois and then check the box to indicate that you have an Illinois presence. **Note:** You are considered to have an Illinois presence if you apply for and receive a Winery Shipper’s License with the Illinois Liquor Control Commission. The thresholds in Public Act 100-587 do not apply to the collection and remittance requirements of out-of-state direct wine shippers.

Am I required to pay tax on all of my wine sales made to Illinois purchasers?

Yes. When applying for a Winery Shipper’s License, you agree to collect and remit Illinois Use Tax and pay the Illinois Liquor Gallonage Tax on all your sales of wine to individual Illinois purchasers. There are no thresholds that apply or that you must meet before your collection obligation begins.

- Collect and remit Illinois Use Tax (flat rate 6.25%) on Form ST-1, Sales and Use Tax and E911 Surcharge Return, and
- pay Illinois Liquor Gallonage Tax on Form RL-26-W, Liquor Direct Wine Shipper Return.

Contact our Alcohol, Tobacco, and Fuel Division at 217 782-6045 for assistance completing Form RL-26-W.

What is a third party provider?

A third-party provider is an agent of the wine seller that provides fulfillment house services, including warehousing, packaging, distribution, order processing, or shipment of wine, but not the sale of wine on behalf of the licensed winery shipper.

What if I use a third party provider to ship my wine to an Illinois purchaser?

The license holder of the Winery Shipper’s License is responsible to ensure Illinois licensing and tax requirements are met for the sale and shipment of wine. Third party providers must file an annual report by February 1st of each calendar year with the Illinois Liquor Control Commission and consent to the jurisdiction of Illinois Liquor Control Commission and the State of Illinois.

Are there any limits on the amount of wine that can be shipped into Illinois?

Yes. A wine shipper licensee may sell and ship wine made by that licensee to a resident of Illinois, who is 21 years of age or older, for that resident’s personal use and not for resale. This is subject to a maximum of 12 cases of wine per year per qualifying adult.