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**2016-17 Illinois Liquor Control Commission Direct Wine Shipping Report**  
**Submitted to the Illinois Governor and General Assembly Pursuant to P.A. 095-0634**  
**(Amended May 31, 2016)**

**I. Background**

Pursuant to Public Act (P.A.) 095-0634, enacted by the General Assembly in June 2008, all winemakers located in Illinois and other states may ship wine directly to consumers after obtaining a winery shipper's license. In addition, the law permits a winemaker to apply for a self-distribution exemption which allows small wineries (producing less than 25,000 gallons annually) to sell and deliver up to 5,000 gallons of wine directly to Illinois retail license holders. As it bypasses the wholesaler, selling wine directly to consumers and retailers is a limited exception to Illinois' three-tier system for alcoholic liquor sales and distribution. P.A. 095-0634 was necessary as a response to the 2005 U.S. Supreme Court decision, *Granholm v. Heald*, which prohibits discrimination against out-of-state producers of alcoholic liquor in favor of in-state producers. If a state permits its in-state wineries to ship directly to consumers and retailers, it must also permit out-of-state retailers to do the same. Thus, P.A. 095-0634 authorizes the Illinois Liquor Control Commission (ILCC) to issue permits/licenses to all in-state and out-of-state wineries to ship wine directly to consumers.

Section II of this document shows the data collected as required by the Illinois Liquor Control Act and is now reported.

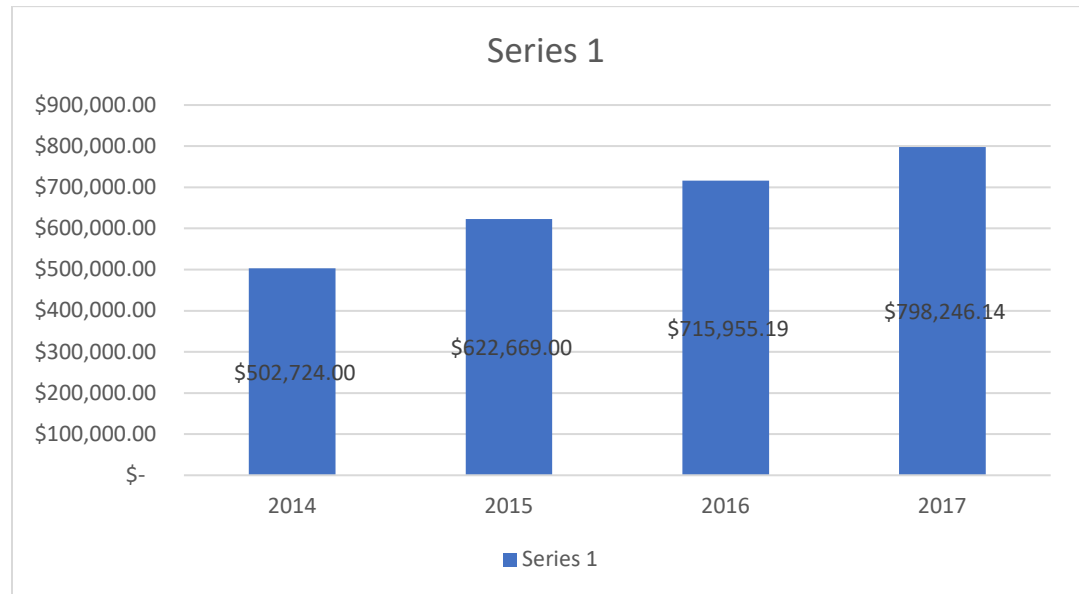
## II. 2016-17 Direct Shipment Impact Analysis

(A) Total state excise and sales tax revenue generated through direct shipment:

Excise Tax

2016 - \$715,955.19

2017 - \$798,246.14



(B) Total winery shipper license fees collected.

2016 - \$280,800

2017 - \$541,275<sup>1</sup>

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<sup>1</sup> Public Act 094-0904 increased license fees effective 09/01/2017.



(C) Total cases of wine shipped from inside and outside of this state directly to residents of this state.

2016 – 279,352<sup>2</sup>

2017– 302,018



(D) The number of alcohol compliance operations conducted

<sup>2</sup> Technological improvements have allowed for more precise data collection by the common carriers.

2016 – 0

2017 – 0

(E) Winery shipper's licenses issued.

2016 – 1404

2017 – 1461



(F) The number of each of the following:

1. Reported violations

2016 – 0

2017 – 0

2. Cease and desist notices issued by the Commission

2016 – 0

2017 – 0<sup>3</sup>

3. Notices of violations issued by the Commission

2016 – 0

2017 – 0

4. Notices and complaints of violations to law enforcement officials, including, without limitation, the Illinois Attorney General and the U.S. Department of Treasury's Alcohol and Tobacco Tax and Trade Bureau

2016 – 0

2017 – 0

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<sup>3</sup> 844 cease and desist letters were created in 2017, but not mailed until January 2018.