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ALLOWING WINE SHIPPING TO ILLINOIS WOULD RAISE \$1 MILLION TO \$3 MILLION FOR STATE

—Retailers Support Sales Tax Imposed by HB 2462—

(Springfield, ILLINOIS)— A bill recently introduced into the Illinois House of Representatives would help reduce the current state budget deficit by requiring that Illinois sales tax be paid by out-of-state wine stores that ship wine to consumers in Illinois. House Bill 2462 would raise between \$1 million and \$3 million annually through payment of state sales tax and fees for the permit required to ship wine into the state.

Specialty Wine Retailers Association (SWRA), a national coalition of wine stores and wine consumers supports HB 2462 and its pro-consumer elements as well as its requirement that out-of-state wine stores pay sales tax on all wines they would ship to Illinois consumers under the bill's wine shipping permit structure.

Illinois wine sales represented 5.5% of the \$30 billion of U.S. wine sales in 2007. It is estimated that one to three percent of wine sales occur online, which allows for a conservative projection of over \$1,000,000 in tax revenue annually for the State and possibly upwards of \$3,000,000 annually.

“SWRA and its specialty wine store members are the rare group that actually supports taxes,” said Tom Wark, executive director of SWRA. “In the case of HB 2462, SWRA supports its provisions that out-of-state wine stores be required to pay Illinois sales tax on wines they ship to consumers under the bill's Retail Wine Shipper Permit.”

HB 2462, introduced by Representative Julie Hamos, allows Illinois consumers to have wine shipped to them from licensed out-of-state wine stores, a right stripped from them in 2007. Currently, Illinois wine consumers may have wine shipped directly to them from Illinois wineries, Illinois wine stores and out-of-state wineries—but not out-of-state wine stores.

“Illinois is home to one of the most vibrant population of wine lovers in America who are willing to seek out the wines they want when they can't find them in their local stores,” said Wark. “By allowing shipment of wine to these consumers from out-of-state wine stores, the state not only allows a pent up demand to be satisfied but provides for an increase in tax revenue that would not otherwise be available to the state.”

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