

# **Sponsored By Rachel Crowe, Bill 2976 Would Reduce Harmful Fees For Illinois Wine Industry In Pandemic**

February 24 2022 12:09 PM



**SPRINGFIELD** – The Illinois Grape Growers and Vintners Alliance today urged Illinois Senators to support Senate Bill 2976 to help provide relief for Illinois wineries that have experienced a drop in tourism and increase in licensing fees during the COVID-19 pandemic and provide an equitable pathway for growth for the industry.

SB 2976, sponsored by Sen. Rachelle Crowe, would reduce a significant licensing fee increase imposed on Illinois wineries during the height of the pandemic when many wineries struggled to stay afloat. The bill would also provide balance for wine production and self-distribution limits compared to counterparts in the beer and spirits industries.

“With ongoing challenges created by the pandemic, the wine industry in Illinois is still working to bounce back and prove its resilience,” Sen. Crowe said. “By increasing the production cap and allowing makers to sell more wine directly to retailers, Illinois can offer support to one of its vital but struggling industries.”

While Illinois is one of the top wine-drinking states in the country, and the Illinois wine industry has grown in esteem, the state’s wineries are prohibited from producing and selling their wine at levels that compare with their peers in the beer and spirits industries.

As a growing attraction in many Illinois communities, from Chicago to Carbondale, the changes under SB 2976 would allow the state’s wine industry to grow, recover from the pandemic, and continue providing good jobs and contributing to local economies.

“If we had the ability to increase the volume of wine that we’re distributing, we could expand our coverage area and better serve retailers with more product variety at a lower price – all of which would benefit our consumers,” said Jim Ewers, general manager of Blue Sky Vineyard in Makanda. “Allowing us to produce and directly distribute more would also lead to more work, more jobs, and greater benefits to our local economy as well. It really makes no sense to keep these caps in place that have only limited our growth.”

Specifically, SB 2976 will:

- Reduce a 60% increase in licensing fees for Illinois wineries implemented last year;
- Increase limits on wine production and self-distribution on par with the beer and spirits industries; and
- Eliminate negative impacts of a loss of premise license for wineries that decide to expand manufacturing operations to include beer or spirits.

“With our winery sitting directly across the river from Missouri, we see firsthand the differences in the way the state of Missouri treats their wineries compared to Illinois,” said Mike Nikonovich, owner of the Grafton Winery in Grafton, Ill. “Missouri’s license fee is capped at \$300 annually, with very minimal rules related to production and self-distribution. Additionally, Illinois wineries pay over \$2 more per case in state gallonage taxes than Missouri wineries. While that may not seem like much, it does add up over

the course of the year, especially when you also factor in the higher Illinois property taxes.”

According to a 2019 economic impact report commissioned by the Illinois Grape Growers and Vintners Alliance before the pandemic, the Illinois wine industry had a \$5.7 billion total economic impact. The report also found the Illinois wine industry:

- Paid \$878 million in federal, state and local taxes;
- Employed over 52,000 full-time jobs;
- Paid \$2.15 billion in wages; and
- Entertained more than 278,000 tourists.

The study defines the Illinois wine industry as wine grape growers, wine producers, wine wholesalers, wine retailers (on and off premise), wine tourism, wine research and education, and wine grape growing associations in the state.