



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB2767

Introduced 2/6/2025, by Rep. Joe C. Sosnowski

#### SYNOPSIS AS INTRODUCED:

35 ILCS 120/2a	from Ch. 120, par. 441a
35 ILCS 128/1-40	
35 ILCS 130/4b	from Ch. 120, par. 453.4b
35 ILCS 130/9	from Ch. 120, par. 453.9
35 ILCS 130/9e	
35 ILCS 130/9f	
35 ILCS 135/11	from Ch. 120, par. 453.41
35 ILCS 135/11a	
35 ILCS 135/12	from Ch. 120, par. 453.42
35 ILCS 143/10-30	

Amends the Retailers' Occupation Tax Act. Provides that certificates of registration shall be issued in the form and manner required by the Department of Revenue. Provides that certificates of registration shall be displayed in the manner and form as the Department of Revenue may require by rule. Amends the Cigarette Machine Operators' Occupation Tax Act, the Cigarette Tax Act, the Cigarette Use Tax Act, and the Tobacco Products Tax Act of 1995. Provides that certain returns and supporting schedules shall be filed and payments shall be made by electronic means. Effective immediately, except that provisions amending the Cigarette Machine Operators' Occupation Tax Act, the Cigarette Tax Act, the Cigarette Use Tax Act, and the Tobacco Products Tax Act of 1995 take effect January 1, 2026.

LRB104 10322 HLH 20396 b

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Retailers' Occupation Tax Act is amended by  
5 changing Section 2a as follows:

6 (35 ILCS 120/2a) (from Ch. 120, par. 441a)

7 Sec. 2a. Registration of retailers. It is unlawful for any  
8 person to engage in the business of selling, which, on and  
9 after January 1, 2025, includes leasing, tangible personal  
10 property at retail in this State without a certificate of  
11 registration from the Department. Application for a  
12 certificate of registration shall be made to the Department  
13 upon forms furnished by it. Each such application shall be  
14 signed and verified and shall state: (1) the name and social  
15 security number of the applicant; (2) the address of his  
16 principal place of business; (3) the address of the principal  
17 place of business from which he engages in the business of  
18 selling tangible personal property at retail in this State and  
19 the addresses of all other places of business, if any  
20 (enumerating such addresses, if any, in a separate list  
21 attached to and made a part of the application), from which he  
22 engages in the business of selling tangible personal property  
23 at retail in this State; (4) the name and address of the person

1 or persons who will be responsible for filing returns and  
2 payment of taxes due under this Act; (5) in the case of a  
3 publicly traded corporation, the name and title of the Chief  
4 Financial Officer, Chief Operating Officer, and any other  
5 officer or employee with responsibility for preparing tax  
6 returns under this Act, and, in the case of all other  
7 corporations, the name, title, and social security number of  
8 each corporate officer; (6) in the case of a limited liability  
9 company, the name, social security number, and FEIN number of  
10 each manager and member; and (7) such other information as the  
11 Department may reasonably require. The application shall  
12 contain an acceptance of responsibility signed by the person  
13 or persons who will be responsible for filing returns and  
14 payment of the taxes due under this Act. If the applicant will  
15 sell tangible personal property at retail through vending  
16 machines, his application to register shall indicate the  
17 number of vending machines to be so operated. If requested by  
18 the Department at any time, that person shall verify the total  
19 number of vending machines he or she uses in his or her  
20 business of selling tangible personal property at retail.

21 The Department shall provide by rule for an expedited  
22 business registration process for remote retailers required to  
23 register and file under subsection (b) of Section 2 who use a  
24 certified service provider to file their returns under this  
25 Act. Such expedited registration process shall allow the  
26 Department to register a taxpayer based upon the same

1 registration information required by the Streamlined Sales Tax  
2 Governing Board for states participating in the Streamlined  
3 Sales Tax Project.

4 The Department may deny a certificate of registration to  
5 any applicant if a person who is named as the owner, a partner,  
6 a manager or member of a limited liability company, or a  
7 corporate officer of the applicant on the application for the  
8 certificate of registration is or has been named as the owner,  
9 a partner, a manager or member of a limited liability company,  
10 or a corporate officer on the application for the certificate  
11 of registration of another retailer that (i) is in default for  
12 moneys due under this Act or any other tax or fee Act  
13 administered by the Department or (ii) fails to file any  
14 return, on or before the due date prescribed for filing that  
15 return (including any extensions of time granted by the  
16 Department), that the retailer is required to file under this  
17 Act or any other tax or fee Act administered by the Department.  
18 For purposes of this paragraph only, in determining whether a  
19 person is in default for moneys due, the Department shall  
20 include only amounts established as a final liability within  
21 the 23 years prior to the date of the Department's notice of  
22 denial of a certificate of registration.

23 The Department may require an applicant for a certificate  
24 of registration hereunder to, at the time of filing such  
25 application, furnish a bond from a surety company authorized  
26 to do business in the State of Illinois, or an irrevocable bank

1 letter of credit or a bond signed by 2 personal sureties who  
2 have filed, with the Department, sworn statements disclosing  
3 net assets equal to at least 3 times the amount of the bond to  
4 be required of such applicant, or a bond secured by an  
5 assignment of a bank account or certificate of deposit, stocks  
6 or bonds, conditioned upon the applicant paying to the State  
7 of Illinois all moneys becoming due under this Act and under  
8 any other State tax law or municipal or county tax ordinance or  
9 resolution under which the certificate of registration that is  
10 issued to the applicant under this Act will permit the  
11 applicant to engage in business without registering separately  
12 under such other law, ordinance or resolution. In making a  
13 determination as to whether to require a bond or other  
14 security, the Department shall take into consideration whether  
15 the owner, any partner, any manager or member of a limited  
16 liability company, or a corporate officer of the applicant is  
17 or has been the owner, a partner, a manager or member of a  
18 limited liability company, or a corporate officer of another  
19 retailer that is in default for moneys due under this Act or  
20 any other tax or fee Act administered by the Department; and  
21 whether the owner, any partner, any manager or member of a  
22 limited liability company, or a corporate officer of the  
23 applicant is or has been the owner, a partner, a manager or  
24 member of a limited liability company, or a corporate officer  
25 of another retailer whose certificate of registration has been  
26 revoked within the previous 5 years under this Act or any other

1 tax or fee Act administered by the Department. If a bond or  
2 other security is required, the Department shall fix the  
3 amount of the bond or other security, taking into  
4 consideration the amount of money expected to become due from  
5 the applicant under this Act and under any other State tax law  
6 or municipal or county tax ordinance or resolution under which  
7 the certificate of registration that is issued to the  
8 applicant under this Act will permit the applicant to engage  
9 in business without registering separately under such other  
10 law, ordinance, or resolution. The amount of security required  
11 by the Department shall be such as, in its opinion, will  
12 protect the State of Illinois against failure to pay the  
13 amount which may become due from the applicant under this Act  
14 and under any other State tax law or municipal or county tax  
15 ordinance or resolution under which the certificate of  
16 registration that is issued to the applicant under this Act  
17 will permit the applicant to engage in business without  
18 registering separately under such other law, ordinance or  
19 resolution, but the amount of the security required by the  
20 Department shall not exceed three times the amount of the  
21 applicant's average monthly tax liability, or \$50,000.00,  
22 whichever amount is lower.

23 No certificate of registration under this Act shall be  
24 issued by the Department until the applicant provides the  
25 Department with satisfactory security, if required, as herein  
26 provided for.

1       Upon receipt of the application for certificate of  
2 registration in proper form, and upon approval by the  
3 Department of the security furnished by the applicant, if  
4 required, the Department shall issue to such applicant, in the  
5 manner and form determined by the Department, a certificate of  
6 registration which shall permit the person to whom it is  
7 issued to engage in the business of selling tangible personal  
8 property at retail in this State. The certificate of  
9 registration shall be conspicuously displayed, in the manner  
10 and form as the Department may require by rule, at the place of  
11 business which the person so registered states in his  
12 application to be the principal place of business from which  
13 he engages in the business of selling tangible personal  
14 property at retail in this State.

15       No certificate of registration issued prior to July 1,  
16 2017 to a taxpayer who files returns required by this Act on a  
17 monthly basis or renewed prior to July 1, 2017 by a taxpayer  
18 who files returns required by this Act on a monthly basis shall  
19 be valid after the expiration of 5 years from the date of its  
20 issuance or last renewal. No certificate of registration  
21 issued on or after July 1, 2017 to a taxpayer who files returns  
22 required by this Act on a monthly basis or renewed on or after  
23 July 1, 2017 by a taxpayer who files returns required by this  
24 Act on a monthly basis shall be valid after the expiration of  
25 one year from the date of its issuance or last renewal. The  
26 expiration date of a sub-certificate of registration shall be

1 that of the certificate of registration to which the  
2 sub-certificate relates. Prior to July 1, 2017, a certificate  
3 of registration shall automatically be renewed, subject to  
4 revocation as provided by this Act, for an additional 5 years  
5 from the date of its expiration unless otherwise notified by  
6 the Department as provided by this paragraph. On and after  
7 July 1, 2017, a certificate of registration shall  
8 automatically be renewed, subject to revocation as provided by  
9 this Act, for an additional one year from the date of its  
10 expiration unless otherwise notified by the Department as  
11 provided by this paragraph.

12 Where a taxpayer to whom a certificate of registration is  
13 issued under this Act is in default to the State of Illinois  
14 for delinquent returns or for moneys due under this Act or any  
15 other State tax law or municipal or county ordinance  
16 administered or enforced by the Department, the Department  
17 shall, not less than 60 days before the expiration date of such  
18 certificate of registration, give notice to the taxpayer to  
19 whom the certificate was issued of the account period of the  
20 delinquent returns, the amount of tax, penalty and interest  
21 due and owing from the taxpayer, and that the certificate of  
22 registration shall not be automatically renewed upon its  
23 expiration date unless the taxpayer, on or before the date of  
24 expiration, has filed and paid the delinquent returns or paid  
25 the defaulted amount in full. A taxpayer to whom such a notice  
26 is issued shall be deemed an applicant for renewal. The



1 Department shall promulgate regulations establishing  
2 procedures for taxpayers who file returns on a monthly basis  
3 but desire and qualify to change to a quarterly or yearly  
4 filing basis and will no longer be subject to renewal under  
5 this Section, and for taxpayers who file returns on a yearly or  
6 quarterly basis but who desire or are required to change to a  
7 monthly filing basis and will be subject to renewal under this  
8 Section.

9 The Department may in its discretion approve renewal by an  
10 applicant who is in default if, at the time of application for  
11 renewal, the applicant files all of the delinquent returns or  
12 pays to the Department such percentage of the defaulted amount  
13 as may be determined by the Department and agrees in writing to  
14 waive all limitations upon the Department for collection of  
15 the remaining defaulted amount to the Department over a period  
16 not to exceed 5 years from the date of renewal of the  
17 certificate; however, no renewal application submitted by an  
18 applicant who is in default shall be approved if the  
19 immediately preceding renewal by the applicant was conditioned  
20 upon the installment payment agreement described in this  
21 Section. The payment agreement herein provided for shall be in  
22 addition to and not in lieu of the security that may be  
23 required by this Section of a taxpayer who is no longer  
24 considered a prior continuous compliance taxpayer. The  
25 execution of the payment agreement as provided in this Act  
26 shall not toll the accrual of interest at the statutory rate.

1       The Department may suspend a certificate of registration  
2       if the Department finds that the person to whom the  
3       certificate of registration has been issued knowingly sold  
4       contraband cigarettes.

5       A certificate of registration issued under this Act more  
6       than 5 years before January 1, 1990 (the effective date of  
7       Public Act 86-383) shall expire and be subject to the renewal  
8       provisions of this Section on the next anniversary of the date  
9       of issuance of such certificate which occurs more than 6  
10      months after January 1, 1990 (the effective date of Public Act  
11      86-383). A certificate of registration issued less than 5  
12      years before January 1, 1990 (the effective date of Public Act  
13      86-383) shall expire and be subject to the renewal provisions  
14      of this Section on the 5th anniversary of the issuance of the  
15      certificate.

16      If the person so registered states that he operates other  
17      places of business from which he engages in the business of  
18      selling tangible personal property at retail in this State,  
19      the Department shall furnish him with a sub-certificate of  
20      registration for each such place of business, and the  
21      applicant shall display the appropriate sub-certificate of  
22      registration at each such place of business. All  
23      sub-certificates of registration shall bear the same  
24      registration number as that appearing upon the certificate of  
25      registration to which such sub-certificates relate.

26      If the applicant will sell tangible personal property at

1 retail through vending machines, the Department shall furnish  
2 him with a sub-certificate of registration for each such  
3 vending machine, and the applicant shall display the  
4 appropriate sub-certificate of registration on each such  
5 vending machine by attaching the sub-certificate of  
6 registration to a conspicuous part of such vending machine. If  
7 a person who is registered to sell tangible personal property  
8 at retail through vending machines adds an additional vending  
9 machine or additional vending machines to the number of  
10 vending machines he or she uses in his or her business of  
11 selling tangible personal property at retail, he or she shall  
12 notify the Department, on a form prescribed by the Department,  
13 to request an additional sub-certificate or additional  
14 sub-certificates of registration, as applicable. With each  
15 such request, the applicant shall report the number of  
16 sub-certificates of registration he or she is requesting as  
17 well as the total number of vending machines from which he or  
18 she makes retail sales.

19 Where the same person engages in 2 or more businesses of  
20 selling tangible personal property at retail in this State,  
21 which businesses are substantially different in character or  
22 engaged in under different trade names or engaged in under  
23 other substantially dissimilar circumstances (so that it is  
24 more practicable, from an accounting, auditing or bookkeeping  
25 standpoint, for such businesses to be separately registered),  
26 the Department may require or permit such person (subject to

1 the same requirements concerning the furnishing of security as  
2 those that are provided for hereinbefore in this Section as to  
3 each application for a certificate of registration) to apply  
4 for and obtain a separate certificate of registration for each  
5 such business or for any of such businesses, under a single  
6 certificate of registration supplemented by related  
7 sub-certificates of registration.

8 Any person who is registered under the Retailers'  
9 Occupation Tax Act as of March 8, 1963, and who, during the  
10 3-year period immediately prior to March 8, 1963, or during a  
11 continuous 3-year period part of which passed immediately  
12 before and the remainder of which passes immediately after  
13 March 8, 1963, has been so registered continuously and who is  
14 determined by the Department not to have been either  
15 delinquent or deficient in the payment of tax liability during  
16 that period under this Act or under any other State tax law or  
17 municipal or county tax ordinance or resolution under which  
18 the certificate of registration that is issued to the  
19 registrant under this Act will permit the registrant to engage  
20 in business without registering separately under such other  
21 law, ordinance or resolution, shall be considered to be a  
22 Prior Continuous Compliance taxpayer. Also any taxpayer who  
23 has, as verified by the Department, faithfully and  
24 continuously complied with the condition of his bond or other  
25 security under the provisions of this Act for a period of 3  
26 consecutive years shall be considered to be a Prior Continuous

1 Compliance taxpayer.

2 Every Prior Continuous Compliance taxpayer shall be exempt  
3 from all requirements under this Act concerning the furnishing  
4 of a bond or other security as a condition precedent to his  
5 being authorized to engage in the business of selling tangible  
6 personal property at retail in this State. This exemption  
7 shall continue for each such taxpayer until such time as he may  
8 be determined by the Department to be delinquent in the filing  
9 of any returns, or is determined by the Department (either  
10 through the Department's issuance of a final assessment which  
11 has become final under the Act, or by the taxpayer's filing of  
12 a return which admits tax that is not paid to be due) to be  
13 delinquent or deficient in the paying of any tax under this Act  
14 or under any other State tax law or municipal or county tax  
15 ordinance or resolution under which the certificate of  
16 registration that is issued to the registrant under this Act  
17 will permit the registrant to engage in business without  
18 registering separately under such other law, ordinance or  
19 resolution, at which time that taxpayer shall become subject  
20 to all the financial responsibility requirements of this Act  
21 and, as a condition of being allowed to continue to engage in  
22 the business of selling tangible personal property at retail,  
23 may be required to post bond or other acceptable security with  
24 the Department covering liability which such taxpayer may  
25 thereafter incur. Any taxpayer who fails to pay an admitted or  
26 established liability under this Act may also be required to

1 post bond or other acceptable security with this Department  
2 guaranteeing the payment of such admitted or established  
3 liability.

4 No certificate of registration shall be issued to any  
5 person who is in default to the State of Illinois for moneys  
6 due under this Act or under any other State tax law or  
7 municipal or county tax ordinance or resolution under which  
8 the certificate of registration that is issued to the  
9 applicant under this Act will permit the applicant to engage  
10 in business without registering separately under such other  
11 law, ordinance or resolution.

12 Any person aggrieved by any decision of the Department  
13 under this Section may, within 20 days after notice of such  
14 decision, protest and request a hearing, whereupon the  
15 Department shall give notice to such person of the time and  
16 place fixed for such hearing and shall hold a hearing in  
17 conformity with the provisions of this Act and then issue its  
18 final administrative decision in the matter to such person. In  
19 the absence of such a protest within 20 days, the Department's  
20 decision shall become final without any further determination  
21 being made or notice given.

22 With respect to security other than bonds (upon which the  
23 Department may sue in the event of a forfeiture), if the  
24 taxpayer fails to pay, when due, any amount whose payment such  
25 security guarantees, the Department shall, after such  
26 liability is admitted by the taxpayer or established by the

1 Department through the issuance of a final assessment that has  
2 become final under the law, convert the security which that  
3 taxpayer has furnished into money for the State, after first  
4 giving the taxpayer at least 10 days' written notice, by  
5 registered or certified mail, to pay the liability or forfeit  
6 such security to the Department. If the security consists of  
7 stocks or bonds or other securities which are listed on a  
8 public exchange, the Department shall sell such securities  
9 through such public exchange. If the security consists of an  
10 irrevocable bank letter of credit, the Department shall  
11 convert the security in the manner provided for in the Uniform  
12 Commercial Code. If the security consists of a bank  
13 certificate of deposit, the Department shall convert the  
14 security into money by demanding and collecting the amount of  
15 such bank certificate of deposit from the bank which issued  
16 such certificate. If the security consists of a type of stocks  
17 or other securities which are not listed on a public exchange,  
18 the Department shall sell such security to the highest and  
19 best bidder after giving at least 10 days' notice of the date,  
20 time and place of the intended sale by publication in the  
21 "State Official Newspaper". If the Department realizes more  
22 than the amount of such liability from the security, plus the  
23 expenses incurred by the Department in converting the security  
24 into money, the Department shall pay such excess to the  
25 taxpayer who furnished such security, and the balance shall be  
26 paid into the State Treasury.

1       The Department shall discharge any surety and shall  
2       release and return any security deposited, assigned, pledged  
3       or otherwise provided to it by a taxpayer under this Section  
4       within 30 days after:

5               (1) such taxpayer becomes a Prior Continuous  
6       Compliance taxpayer; or

7               (2) such taxpayer has ceased to collect receipts on  
8       which he is required to remit tax to the Department, has  
9       filed a final tax return, and has paid to the Department an  
10      amount sufficient to discharge his remaining tax  
11      liability, as determined by the Department, under this Act  
12      and under every other State tax law or municipal or county  
13      tax ordinance or resolution under which the certificate of  
14      registration issued under this Act permits the registrant  
15      to engage in business without registering separately under  
16      such other law, ordinance or resolution. The Department  
17      shall make a final determination of the taxpayer's  
18      outstanding tax liability as expeditiously as possible  
19      after his final tax return has been filed; if the  
20      Department cannot make such final determination within 45  
21      days after receiving the final tax return, within such  
22      period it shall so notify the taxpayer, stating its  
23      reasons therefor.

24      (Source: P.A. 102-40, eff. 6-25-21; 103-319, eff. 1-1-24;  
25      103-592, eff. 1-1-25.)



1           Section 10. The Cigarette Machine Operators' Occupation  
2 Tax Act is amended by changing Section 1-40 as follows:

3           (35 ILCS 128/1-40)

4           Sec. 1-40. Returns.

5           (a) Cigarette machine operators shall file a return and  
6 remit the tax imposed by Section 1-10 by the 15th day of each  
7 month covering the preceding calendar month. Each such return  
8 shall show: the quantity of cigarettes made or fabricated  
9 during the period covered by the return; the beginning and  
10 ending meter reading for each cigarette machine for the period  
11 covered by the return; the quantity of such cigarettes sold or  
12 otherwise disposed of during the period covered by the return;  
13 the brand family and manufacturer and quantity of tobacco  
14 products used to make or fabricate cigarettes by use of a  
15 cigarette machine; the license number of each distributor from  
16 whom tobacco products are purchased; the type and quantity of  
17 cigarette tubes purchased for use in a cigarette machine; the  
18 type and quantity of cigarette tubes used in a cigarette  
19 machine; and such other information as the Department may  
20 require. All returns and supporting schedules required to be  
21 filed under this Section and all payments required to be made  
22 under this Section shall be by electronic means in the form  
23 prescribed by the Department. ~~Such returns shall be filed on~~  
24 ~~forms prescribed and furnished by the Department. The~~  
25 ~~Department may promulgate rules to require that the cigarette~~

~~machine operator's return be accompanied by appropriate computer-generated magnetic media supporting schedule data in the format required by the Department, unless, as provided by rule, the Department grants an exception upon petition of a cigarette machine operator.~~

Cigarette machine operators shall send a copy of those returns, together with supporting schedule data, to the Attorney General's Office by the 15th day of each month for the period covering the preceding calendar month.

(b) Cigarette machine operators may take a credit against any tax due under Section 1-10 of this Act for taxes imposed and paid under the Tobacco Products Tax Act of 1995 on tobacco products sold to a customer and used in a rolling machine located at the cigarette machine operator's place of business. To be eligible for such credit, the tobacco product must meet the requirements of subsection (a) of Section 1-25 of this Act. This subsection (b) is exempt from the provisions of Section 1-155 of this Act.

(c) If any payment provided for in this Section exceeds the cigarette machine operator's liabilities under this Act, as shown on an original return, the cigarette machine operator may credit such excess payment against liability subsequently to be remitted to the Department under this Act, in accordance with reasonable rules adopted by the Department.

(Source: P.A. 100-1171, eff. 1-4-19.)

1       Section 15. The Cigarette Tax Act is amended by changing  
2       Sections 4b, 9, 9e, and 9f as follows:

3           (35 ILCS 130/4b) (from Ch. 120, par. 453.4b)

4       Sec. 4b. (a) The Department may, in its discretion, upon  
5       application, issue permits authorizing the payment of the tax  
6       herein imposed by out-of-State cigarette manufacturers who are  
7       not required to be licensed as distributors of cigarettes in  
8       this State, but who elect to qualify under this Act as  
9       distributors of cigarettes in this State, and who, to the  
10      satisfaction of the Department, furnish adequate security to  
11      insure payment of the tax, provided that any such permit shall  
12      extend only to cigarettes which such permittee manufacturer  
13      places in original packages that are contained inside a sealed  
14      transparent wrapper. Such permits shall be issued without  
15      charge in such form as the Department may prescribe and shall  
16      not be transferable or assignable.

17      The following are ineligible to receive a distributor's  
18      permit under this subsection:

19           (1) a person who is not of good character and  
20           reputation in the community in which he resides; the  
21           Department may consider past conviction of a felony but  
22           the conviction shall not operate as an absolute bar to  
23           receiving a permit;

24           (2) a person who has been convicted of a felony under  
25           any Federal or State law, if the Department, after

1 investigation and a hearing and consideration of  
2 mitigating factors and evidence of rehabilitation  
3 contained in the applicant's record, including those in  
4 Section 4i of this Act, determines that such person has  
5 not been sufficiently rehabilitated to warrant the public  
6 trust and the conviction will impair the ability of the  
7 person to engage in the position for which a permit is  
8 sought;

9 (3) a corporation, if any officer, manager or director  
10 thereof, or any stockholder or stockholders owning in the  
11 aggregate more than 5% of the stock of such corporation,  
12 would not be eligible to receive a permit under this Act  
13 for any reason.

14 With respect to cigarettes which come within the scope of  
15 such a permit and which any such permittee delivers or causes  
16 to be delivered in Illinois to licensed distributors, such  
17 permittee shall remit the tax imposed by this Act at the times  
18 provided for in Section 3 of this Act. Each such remittance  
19 shall be accompanied by a return filed with the Department on a  
20 form to be prescribed and furnished by the Department and  
21 shall disclose such information as the Department may lawfully  
22 require. Information that the Department may lawfully require  
23 includes information related to the uniform regulation and  
24 taxation of cigarettes. All returns and supporting schedules  
25 required to be filed under this Section and all payments  
26 required to be made under this Section shall be by electronic

1 ~~means in the form prescribed by the Department. The Department~~  
2 ~~may promulgate rules to require that the permittee's return be~~  
3 ~~accompanied by appropriate computer generated magnetic media~~  
4 ~~supporting schedule data in the format prescribed by the~~  
5 ~~Department, unless, as provided by rule, the Department grants~~  
6 ~~an exception upon petition of the permittee.~~ Each such return  
7 shall be accompanied by a copy of each invoice rendered by the  
8 permittee to any licensed distributor to whom the permittee  
9 delivered cigarettes of the type covered by the permit (or  
10 caused cigarettes of the type covered by the permit to be  
11 delivered) in Illinois during the period covered by such  
12 return.

13       Such permit may be suspended, canceled or revoked when, at  
14 any time, the Department considers that the security given is  
15 inadequate, or that such tax can more effectively be collected  
16 from distributors located in this State, or whenever the  
17 permittee violates any provision of this Act or any lawful  
18 rule or regulation issued by the Department pursuant to this  
19 Act or is determined to be ineligible for a distributor's  
20 permit under this Act as provided in this Section, whenever  
21 the permittee shall notify the Department in writing of his  
22 desire to have the permit canceled. The Department shall have  
23 the power, in its discretion, to issue a new permit after such  
24 suspension, cancellation or revocation, except when the person  
25 who would receive the permit is ineligible to receive a  
26 distributor's permit under this Act.

1 All permits issued by the Department under this Act shall  
2 be valid for not to exceed one year after issuance unless  
3 sooner revoked, canceled or suspended as in this Act provided.

4 (b) Out-of-state cigarette manufacturers who are not  
5 required to be licensed as distributors of cigarettes in this  
6 State and who do not elect to obtain approval under subsection  
7 4b(a) to pay the tax imposed by this Act, but who elect to  
8 qualify under this Act as distributors of cigarettes in this  
9 State for purposes of shipping and delivering unstamped  
10 original packages of cigarettes into this State to licensed  
11 distributors, shall obtain a permit from the Department. These  
12 permits shall be issued without charge in such form as the  
13 Department may prescribe and shall not be transferable or  
14 assignable.

15 The following are ineligible to receive a distributor's  
16 permit under this subsection:

17 (1) a person who is not of good character and  
18 reputation in the community in which he or she resides;  
19 the Department may consider past conviction of a felony  
20 but the conviction shall not operate as an absolute bar to  
21 receiving a permit;

22 (2) a person who has been convicted of a felony under  
23 any federal or State law, if the Department, after  
24 investigation and a hearing and consideration of  
25 mitigating factors and evidence of rehabilitation  
26 contained in the applicant's record, including those set

1       forth in Section 4i of this Act, determines that the  
2       person has not been sufficiently rehabilitated to warrant  
3       the public trust and the conviction will impair the  
4       ability of the person to engage in the position for which a  
5       permit is sought; and

6               (3) a corporation, if any officer, manager, or  
7       director thereof, or any stockholder or stockholders  
8       owning in the aggregate more than 5% of the stock of the  
9       corporation, would not be eligible to receive a permit  
10      under this Act for any reason.

11      With respect to original packages of cigarettes that such  
12      permittee delivers or causes to be delivered in Illinois and  
13      distributes to the public for promotional purposes without  
14      consideration, the permittee shall pay the tax imposed by this  
15      Act by remitting the amount thereof to the Department by the  
16      5th day of each month covering cigarettes shipped or otherwise  
17      delivered in Illinois for those purposes during the preceding  
18      calendar month. The permittee, before delivering those  
19      cigarettes or causing those cigarettes to be delivered in this  
20      State, shall evidence his or her obligation to remit the taxes  
21      due with respect to those cigarettes by imprinting language to  
22      be prescribed by the Department on each original package of  
23      cigarettes, in such place thereon and in such manner also to be  
24      prescribed by the Department. The imprinted language shall  
25      acknowledge the permittee's payment of or liability for the  
26      tax imposed by this Act with respect to the distribution of

1 those cigarettes.

2 With respect to cigarettes that the permittee delivers or  
3 causes to be delivered in Illinois to Illinois licensed  
4 distributors or distributed to the public for promotional  
5 purposes, the permittee shall, by the 5th day of each month,  
6 file with the Department, a report covering cigarettes shipped  
7 or otherwise delivered in Illinois to licensed distributors or  
8 distributed to the public for promotional purposes during the  
9 preceding calendar month on a form to be prescribed and  
10 furnished by the Department and shall disclose such other  
11 information as the Department may lawfully require.  
12 Information that the Department may lawfully require includes  
13 information related to the uniform regulation and taxation of  
14 cigarettes. All reports and supporting schedules required to  
15 be filed under this Section shall be filed electronically in  
16 the form prescribed by the Department. ~~The Department may~~  
17 ~~promulgate rules to require that the permittee's report be~~  
18 ~~accompanied by appropriate computer generated magnetic media~~  
19 ~~supporting schedule data in the format prescribed by the~~  
20 ~~Department, unless, as provided by rule, the Department grants~~  
21 ~~an exception upon petition of the permittee.~~ Each such report  
22 shall be accompanied by a copy of each invoice rendered by the  
23 permittee to any purchaser to whom the permittee delivered  
24 cigarettes of the type covered by the permit (or caused  
25 cigarettes of the type covered by the permit to be delivered)  
26 in Illinois during the period covered by such report.



1       Such permit may be suspended, canceled, or revoked  
2 whenever the permittee violates any provision of this Act or  
3 any lawful rule or regulation issued by the Department  
4 pursuant to this Act, is determined to be ineligible for a  
5 distributor's permit under this Act as provided in this  
6 Section, or notifies the Department in writing of his or her  
7 desire to have the permit canceled. The Department shall have  
8 the power, in its discretion, to issue a new permit after such  
9 suspension, cancellation, or revocation, except when the  
10 person who would receive the permit is ineligible to receive a  
11 distributor's permit under this Act.

12       All permits issued by the Department under this Act shall  
13 be valid for a period not to exceed one year after issuance  
14 unless sooner revoked, canceled, or suspended as provided in  
15 this Act.

16       (Source: P.A. 103-592, eff. 1-1-25.)

17       (35 ILCS 130/9) (from Ch. 120, par. 453.9)

18       Sec. 9. Returns; remittance. Every distributor who is  
19 required to procure a license under this Act, but who is not a  
20 manufacturer of cigarettes in original packages which are  
21 contained in a sealed transparent wrapper, shall, on or before  
22 the 15th day of each calendar month, file a return with the  
23 Department, showing the quantity of cigarettes manufactured  
24 during the preceding calendar month, the quantity of  
25 cigarettes brought into this State or caused to be brought

1 into this State from outside this State during the preceding  
2 calendar month without authorized evidence on the original  
3 packages of such cigarettes underneath the sealed transparent  
4 wrapper thereof that the tax liability imposed by this Act has  
5 been assumed by the out-of-State seller of such cigarettes,  
6 the quantity of cigarettes purchased tax-paid during the  
7 preceding calendar month either within or outside this State,  
8 the quantity of cigarettes sold by manufacturer  
9 representatives on behalf of the distributor, the quantity of  
10 cigarettes sold to manufacturer representatives, and the  
11 quantity of cigarettes sold or otherwise disposed of during  
12 the preceding calendar month. Such return shall be filed upon  
13 forms furnished and prescribed by the Department and shall  
14 contain such other information as the Department may  
15 reasonably require. Information that the Department may  
16 reasonably require includes information related to the uniform  
17 regulation and taxation of cigarettes. All returns and  
18 supporting schedules required to be filed under this Section  
19 and all payments required to be made under this Section shall  
20 be by electronic means in the form prescribed by the  
21 Department. ~~The Department may promulgate rules to require~~  
22 ~~that the distributor's return be accompanied by appropriate~~  
23 ~~computer-generated magnetic media supporting schedule data in~~  
24 ~~the format required by the Department, unless, as provided by~~  
25 ~~rule, the Department grants an exception upon petition of a~~  
26 ~~distributor.~~

1 Illinois manufacturers of cigarettes in original packages  
2 which are contained inside a sealed transparent wrapper shall  
3 file a return by the 5th day of each month covering the  
4 preceding calendar month. Each such return shall be  
5 accompanied by the appropriate remittance for tax as provided  
6 in Section 3 of this Act. Each such return shall show the  
7 quantity of such cigarettes manufactured during the period  
8 covered by the return, the quantity of cigarettes sold or  
9 otherwise disposed of during the period covered by the return  
10 and such other information as the Department may lawfully  
11 require. Information that the Department may lawfully require  
12 includes information related to the uniform regulation and  
13 taxation of cigarettes. All returns and supporting schedules  
14 required to be filed under this Section and all payments  
15 required to be made under this Section shall be by electronic  
16 means in the form prescribed ~~Such returns shall be filed on~~  
17 ~~forms prescribed and furnished~~ by the Department. Each such  
18 return shall be accompanied by a copy of each invoice rendered  
19 by such manufacturer to any purchaser to whom such  
20 manufacturer delivered cigarettes (or caused cigarettes to be  
21 delivered) during the period covered by the return. ~~The~~  
22 ~~Department may promulgate rules to require that the~~  
23 ~~manufacturer's return be accompanied by appropriate~~  
24 ~~computer-generated magnetic media supporting schedule data in~~  
25 ~~the format required by the Department, unless, as provided by~~  
26 ~~rule, the Department grants an exception upon petition of a~~

1 ~~manufacturer.~~

2 (Source: P.A. 103-592, eff. 1-1-25.)

3 (35 ILCS 130/9e)

4 Sec. 9e. Secondary distributors; reports. Every secondary  
5 distributor who is required to procure a license under this  
6 Act shall, on or before the 15th day of each calendar month,  
7 file a report with the Department, showing the quantity of  
8 cigarettes purchased during the preceding calendar month  
9 either within or outside this State, and the quantity of  
10 cigarettes sold to retailers or otherwise disposed of during  
11 the preceding calendar month. Such reports shall be filed  
12 electronically in such form prescribed by the Department and  
13 shall contain such other information as the Department may  
14 reasonably require. Information that the Department may  
15 reasonably require includes information related to the uniform  
16 regulation and taxation of cigarettes. ~~The secondary~~  
17 ~~distributor's report shall be accompanied by appropriate~~  
18 ~~computer generated magnetic media supporting schedule data in~~  
19 ~~the format required by the Department, unless, as provided by~~  
20 ~~rule, the Department grants an exception upon petition of a~~  
21 ~~secondary distributor.~~

22 A certification by the Director of the Department that a  
23 report has not been filed, or that information has not been  
24 supplied pursuant to the provisions of this Act, shall be  
25 prima facie evidence thereof.

(Source: P.A. 103-592, eff. 1-1-25.)

(35 ILCS 130/9f)

Sec. 9f. Manufacturer representatives; reports. Every manufacturer with authority to maintain manufacturer representatives as defined by Section 4f of this Act shall, on or before the 15th day of each calendar month, file a report with the Department, showing the quantity of cigarettes purchased from licensed distributors during the preceding calendar month, either within or outside this State, and the quantity of cigarettes sold to retailers or otherwise disposed of during the preceding calendar month. Such reports shall be filed in the form prescribed by the Department and shall contain such other information as the Department may reasonably require. Information that the Department may reasonably require includes information related to the uniform regulation and taxation of cigarettes. The report and supporting schedules shall be filed electronically in the form prescribed by the Department ~~and be accompanied by appropriate computer generated magnetic media supporting schedule data in the format required by the Department, unless, as provided by rule, the Department grants an exception upon petition of a manufacturer with authority to maintain manufacturer representatives in this State.~~

A certification by the Director of the Department that a report has not been filed, or that information has not been

1 supplied pursuant to the provisions of this Act, shall be  
2 prima facie evidence thereof.

3 (Source: P.A. 103-592, eff. 1-1-25.)

4 Section 20. The Cigarette Use Tax Act is amended by  
5 changing Sections 11, 11a, and 12 as follows:

6 (35 ILCS 135/11) (from Ch. 120, par. 453.41)

7 Sec. 11. Return by distributor or manufacturer. Every  
8 distributor, who is required or authorized to collect tax  
9 under this Act, but who is not a manufacturer of cigarettes in  
10 original packages which are contained in a sealed transparent  
11 wrapper, shall, on or before the 15th day of each calendar  
12 month, file a return with the Department, showing such  
13 information as the Department may reasonably require.  
14 Information that the Department may reasonably require  
15 includes information related to the uniform regulation and  
16 taxation of cigarettes. All returns and supporting schedules  
17 required to be filed under this Section shall be filed  
18 electronically in the form prescribed by the Department. ~~The~~  
19 ~~Department may promulgate rules to require that the~~  
20 ~~distributor's return be accompanied by appropriate~~  
21 ~~computer-generated magnetic media supporting schedule data in~~  
22 ~~the format required by the Department, unless, as provided by~~  
23 ~~rule, the Department grants an exception upon petition of a~~  
24 ~~distributor.~~

1 Illinois manufacturers of cigarettes in original packages  
2 which are contained inside a sealed transparent wrapper shall  
3 file a return by the 5th day of each month covering the  
4 preceding calendar month. Each such return shall be  
5 accompanied by the appropriate remittance for tax as provided  
6 in Section 3 of this Act. Each such return shall disclose such  
7 information as the Department may lawfully require.  
8 Information that the Department may lawfully require includes  
9 information related to the uniform regulation and taxation of  
10 cigarettes. All returns and supporting schedules required to  
11 be filed under this Section and all payments required to be  
12 made under this Section shall be by electronic means in the  
13 form prescribed by the Department. Each such return shall be  
14 accompanied by a copy of each invoice rendered by such  
15 manufacturer to any purchaser to whom such manufacturer  
16 delivered cigarettes (or caused cigarettes to be delivered)  
17 during the period covered by the return. ~~The Department may~~  
18 ~~promulgate rules to require that the manufacturer's return be~~  
19 ~~accompanied by appropriate computer generated magnetic media~~  
20 ~~supporting schedule data in the format required by the~~  
21 ~~Department, unless, as provided by rule, the Department grants~~  
22 ~~an exception upon petition of a manufacturer.~~

23 No distributor shall be required to return information to  
24 the extent to which the reporting of such information would be  
25 a duplication of such distributor's reporting of information  
26 in any return which he is required to file with the Department

1 under the Cigarette Tax Act. ~~Returns shall be filed on forms~~  
2 ~~prescribed by the Department.~~

3 (Source: P.A. 103-592, eff. 1-1-25.)

4 (35 ILCS 135/11a)

5 Sec. 11a. Secondary distributors; reports. Every secondary  
6 distributor who is required to procure, or is authorized to  
7 procure, a license under this Act shall, on or before the 15th  
8 day of each calendar month, file a report with the Department,  
9 showing the quantity of cigarettes purchased during the  
10 preceding calendar month either within or outside this State,  
11 and the quantity of cigarettes sold to Illinois retailers or  
12 otherwise disposed of during the preceding calendar month.  
13 Such reports shall be filed electronically in such form  
14 prescribed by the Department and shall contain such other  
15 information as the Department may reasonably require.  
16 Information that the Department may reasonably require  
17 includes information related to the uniform regulation and  
18 taxation of cigarettes. ~~The secondary distributor's report~~  
19 ~~shall be accompanied by appropriate computer generated~~  
20 ~~magnetic media supporting schedule data in the format required~~  
21 ~~by the Department, unless, as provided by rule, the Department~~  
22 ~~grants an exception upon petition of a secondary distributor.~~

23 A certification by the Director of the Department that a  
24 report has not been filed, or that information has not been  
25 supplied pursuant to the provisions of this Act, shall be



1     prima facie evidence thereof.

2     (Source: P.A. 103-592, eff. 1-1-25.)

3             (35 ILCS 135/12) (from Ch. 120, par. 453.42)

4             Sec. 12. Declaration of possession of cigarettes on which  
5     tax not paid.

6             (a) When cigarettes are acquired for use in this State by a  
7     person (including a distributor as well as any other person),  
8     who did not pay the tax herein imposed to a distributor, the  
9     person, within 30 days after acquiring the cigarettes, shall  
10    file with the Department a return declaring the possession of  
11    the cigarettes and shall transmit with the return to the  
12    Department the tax imposed by this Act. All returns and  
13    supporting schedules required to be filed under this Section  
14    and all payments required to be made under this Section shall  
15    be by electronic means in the form prescribed by the  
16    Department.

17            (b) On receipt of the return and payment of the tax as  
18    required by paragraph (a), the Department may furnish the  
19    person with a suitable tax stamp to be affixed to the package  
20    of cigarettes upon which the tax has been paid if the  
21    Department determines that the cigarettes still exist.

22            (c) The return referred to in paragraph (a) shall contain  
23    the name and address of the person possessing the cigarettes  
24    involved, the location of the cigarettes and the quantity,  
25    brand name, place, and date of the acquisition of the

1 cigarettes.

2 (d) Nothing in this Section shall permit a secondary  
3 distributor to purchase unstamped original packages of  
4 cigarettes or to purchase original packages of cigarettes from  
5 a person other than a licensed distributor.

6 (e) Any distributor who violates this Section is liable to  
7 pay to the Department, for deposit in the Tax Compliance and  
8 Administration Fund, a penalty of \$1,000 for the first  
9 violation and \$3,000 for any subsequent violation. The  
10 Department may adopt rules to administer the penalties under  
11 this Section. The Department may, in addition to the penalties  
12 imposed by this Section, and any other civil or criminal  
13 penalties provided for in this Act, assess tax, penalty, and  
14 interest on the original packages of cigarettes.

15 (Source: P.A. 100-940, eff. 8-17-18.)

16 Section 25. The Tobacco Products Tax Act of 1995 is  
17 amended by changing Section 10-30 as follows:

18 (35 ILCS 143/10-30)

19 Sec. 10-30. Returns.

20 (a) Every distributor shall, on or before the 15th day of  
21 each month, file a return with the Department covering the  
22 preceding calendar month. The return shall disclose the  
23 wholesale price for all tobacco products other than moist  
24 snuff and the quantity in ounces of moist snuff sold or

1 otherwise disposed of and other information that the  
2 Department may reasonably require. Information that the  
3 Department may reasonably require includes information related  
4 to the uniform regulation and taxation of tobacco products.  
5 ~~The return shall be filed upon a form prescribed and furnished~~  
6 ~~by the Department.~~

7 (b) In addition to the information required under  
8 subsection (a), on or before the 15th day of each month,  
9 covering the preceding calendar month, each stamping  
10 distributor shall, ~~on forms prescribed and furnished by the~~  
11 ~~Department,~~ report the quantity of little cigars sold or  
12 otherwise disposed of, including the number of packages of  
13 little cigars sold or disposed of during the month containing  
14 20 or 25 little cigars.

15 (c) At the time when any return of any distributor is due  
16 to be filed with the Department, the distributor shall also  
17 remit to the Department the tax liability that the distributor  
18 has incurred for transactions occurring in the preceding  
19 calendar month.

20 (d) All returns and supporting schedules required to be  
21 filed under this Section and all payments required to be made  
22 under this Section shall be by electronic means in the form  
23 prescribed by the Department. ~~The Department may adopt rules~~  
24 ~~to require the electronic filing of any return or document~~  
25 ~~required to be filed under this Act. Those rules may provide~~  
26 ~~for exceptions from the filing requirement set forth in this~~

1 ~~paragraph for persons who demonstrate that they do not have~~  
2 ~~access to the Internet and petition the Department to waive~~  
3 ~~the electronic filing requirement.~~

4 (e) If any payment provided for in this Section exceeds  
5 the distributor's liabilities under this Act, as shown on an  
6 original return, the distributor may credit such excess  
7 payment against liability subsequently to be remitted to the  
8 Department under this Act, in accordance with reasonable rules  
9 adopted by the Department.

10 (Source: P.A. 103-592, eff. 1-1-25.)

11 Section 99. Effective date. This Act takes effect upon  
12 becoming law, except that Sections 10, 15, 20 and 25 take  
13 effect January 1, 2026.