



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB4847

by Rep. Yolonda Morris

SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.1038 new

30 ILCS 105/6z-149 new

35 ILCS 130/2

from Ch. 120, par. 453.2

Amends the Cigarette Tax Act. Provides that 2% of the moneys received under that Act, the Cigarette Use Tax Act, and the tax imposed on little cigars under the Tobacco Products Tax Act of 1995 shall be deposited into the University of Illinois Cancer Center Fund. Amends the State Finance Act to create the University of Illinois Cancer Center Fund. Provides that moneys in the Fund shall be used by the University of Illinois Cancer Center for purposes of cancer research, patient care, and operating expenses of the Cancer Center. Effective immediately.

LRB104 20054 HLH 33505 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 State Finance Act is amended by adding
5 Sections 5.1038 and 6z-149 as follows:

6 (30 ILCS 105/5.1038 new)

7 Sec. 5.1038. The University of Illinois Cancer Center
8 Fund.

9 (30 ILCS 105/6z-149 new)

10 Sec. 6z-149. The University of Illinois Cancer Center
11 Fund; creation. The University of Illinois Cancer Center Fund
12 is hereby created as a special fund in the State treasury.
13 Moneys in the Fund shall be used by the University of Illinois
14 Cancer Center for purposes of cancer research, patient care,
15 and operating expenses of the Cancer Center.

16 Section 10. The Cigarette Tax Act is amended by changing
17 Section 2 as follows:

18 (35 ILCS 130/2) (from Ch. 120, par. 453.2)

19 Sec. 2. Tax imposed; rate; collection, payment, and
20 distribution; discount.

1 (a) Beginning on July 1, 2019, in place of the aggregate
2 tax rate of 99 mills previously imposed by this Act, a tax is
3 imposed upon any person engaged in business as a retailer of
4 cigarettes at the rate of 149 mills per cigarette sold or
5 otherwise disposed of in the course of such business in this
6 State.

7 (b) The payment of such taxes shall be evidenced by a stamp
8 affixed to each original package of cigarettes, or an
9 authorized substitute for such stamp imprinted on each
10 original package of such cigarettes underneath the sealed
11 transparent outside wrapper of such original package, as
12 hereinafter provided. However, such taxes are not imposed upon
13 any activity in such business in interstate commerce or
14 otherwise, which activity may not under the Constitution and
15 statutes of the United States be made the subject of taxation
16 by this State.

17 Out of the 149 mills per cigarette tax imposed by
18 subsection (a), until July 1, 2023, the revenues received from
19 4 mills shall be paid into the Common School Fund each month,
20 not to exceed \$9,000,000 per month. Out of the 149 mills per
21 cigarette tax imposed by subsection (a), until July 1, 2023,
22 all of the revenues received from 7 mills shall be paid into
23 the Common School Fund each month. Out of the 149 mills per
24 cigarette tax imposed by subsection (a), until July 1, 2023,
25 50 mills per cigarette each month shall be paid into the
26 Healthcare Provider Relief Fund.

1 Beginning on July 1, 2006 and until July 1, 2023, all of
2 the moneys received by the Department of Revenue pursuant to
3 this Act and the Cigarette Use Tax Act, other than the moneys
4 that are dedicated to the Common School Fund and, beginning on
5 June 14, 2012 (the effective date of Public Act 97-688), other
6 than the moneys from the additional taxes imposed by Public
7 Act 97-688 that must be paid each month into the Healthcare
8 Provider Relief Fund and other than the moneys from the
9 additional taxes imposed by Public Act 101-31 that must be
10 paid each month under subsection (c), shall be distributed
11 each month as follows: first, there shall be paid into the
12 General Revenue Fund an amount that, when added to the amount
13 paid into the Common School Fund for that month, equals
14 \$29,200,000; then, from the moneys remaining, if any amounts
15 required to be paid into the General Revenue Fund in previous
16 months remain unpaid, those amounts shall be paid into the
17 General Revenue Fund; then from the moneys remaining,
18 \$5,000,000 per month shall be paid into the School
19 Infrastructure Fund; then, if any amounts required to be paid
20 into the School Infrastructure Fund in previous months remain
21 unpaid, those amounts shall be paid into the School
22 Infrastructure Fund; then the moneys remaining, if any, shall
23 be paid into the Long-Term Care Provider Fund. Any amounts
24 required to be paid into the General Revenue Fund, the School
25 Infrastructure Fund, the Long-Term Care Provider Fund, the
26 Common School Fund, the Capital Projects Fund, or the

1 Healthcare Provider Relief Fund under this subsection that
2 remain unpaid as of July 1, 2023 shall be deemed satisfied on
3 that date, eliminating any deficiency accrued through that
4 date.

5 (c) Beginning on July 1, 2019 and until July 1, 2023, all
6 of the moneys from the additional taxes imposed by Public Act
7 101-31, except for moneys received from the tax on electronic
8 cigarettes, received by the Department of Revenue pursuant to
9 this Act, the Cigarette Use Tax Act, and the Tobacco Products
10 Tax Act of 1995 shall be distributed each month into the
11 Capital Projects Fund.

12 (c-5) Beginning on July 1, 2023 and until July 1, 2026, all
13 of the moneys received by the Department of Revenue pursuant
14 to (i) this Act, (ii) the Cigarette Use Tax Act, and (iii) the
15 tax imposed on little cigars under Section 10-10 of the
16 Tobacco Products Tax Act of 1995 shall be paid each month as
17 follows:

- 18 (1) 7% into the Common School Fund;
19 (2) 34% into the Healthcare Provider Relief Fund;
20 (3) 34% into the Capital Projects Fund; and
21 (4) 25% into the General Revenue Fund.

22 Beginning on July 1, 2026, all of the moneys received by
23 the Department of Revenue pursuant to (i) this Act, (ii) the
24 Cigarette Use Tax Act, and (iii) the tax imposed on little
25 cigars under Section 10-10 of the Tobacco Products Tax Act of
26 1995 shall be paid each month as follows:

- 1 (1) 2% into the University of Illinois Cancer Center
2 Fund;
3 (2) 7% into the Common School Fund;
4 (3) 34% into the Healthcare Provider Relief Fund;
5 (4) 34% into the Capital Projects Fund; and
6 (5) 23% into the General Revenue Fund.

7 (d) Until July 1, 2023, except for moneys received from
8 the additional taxes imposed by Public Act 101-31, moneys
9 collected from the tax imposed on little cigars under Section
10 10-10 of the Tobacco Products Tax Act of 1995 shall be included
11 with the moneys collected under the Cigarette Tax Act and the
12 Cigarette Use Tax Act when making distributions to the Common
13 School Fund, the Healthcare Provider Relief Fund, the General
14 Revenue Fund, the School Infrastructure Fund, and the
15 Long-Term Care Provider Fund under this Section. Any amounts,
16 including moneys collected from the tax imposed on little
17 cigars under Section 10-10 of the Tobacco Products Tax Act of
18 1995, that are required to be paid into the General Revenue
19 Fund, the School Infrastructure Fund, the Long-Term Care
20 Provider Fund, the Common School Fund, the Capital Projects
21 Fund, or the Healthcare Provider Relief Fund under subsection
22 (b) that remain unpaid as of July 1, 2023 shall be deemed
23 satisfied on that date, eliminating any deficiency accrued
24 through that date. Beginning on July 1, 2023, moneys collected
25 from the tax imposed on little cigars under Section 10-10 of
26 the Tobacco Products Tax Act of 1995 shall be included with the

1 moneys collected under the Cigarette Tax Act and the Cigarette
2 Use Tax Act when making distributions under subsection (c-5).

3 (e) If the tax imposed herein terminates or has
4 terminated, distributors who have bought stamps while such tax
5 was in effect and who therefore paid such tax, but who can
6 show, to the Department's satisfaction, that they sold the
7 cigarettes to which they affixed such stamps after such tax
8 had terminated and did not recover the tax or its equivalent
9 from purchasers, shall be allowed by the Department to take
10 credit for such absorbed tax against subsequent tax stamp
11 purchases from the Department by such distributor.

12 (f) The impact of the tax levied by this Act is imposed
13 upon the retailer and shall be prepaid or pre-collected by the
14 distributor for the purpose of convenience and facility only,
15 and the amount of the tax shall be added to the price of the
16 cigarettes sold by such distributor. Collection of the tax
17 shall be evidenced by a stamp or stamps affixed to each
18 original package of cigarettes, as hereinafter provided. Any
19 distributor who purchases stamps may credit any excess
20 payments verified by the Department against amounts
21 subsequently due for the purchase of additional stamps, until
22 such time as no excess payment remains.

23 (g) Each distributor shall collect the tax from the
24 retailer at or before the time of the sale, shall affix the
25 stamps as hereinafter required, and shall remit the tax
26 collected from retailers to the Department, as hereinafter

1 provided. Any distributor who fails to properly collect and
2 pay the tax imposed by this Act shall be liable for the tax.

3 (h) Any distributor having cigarettes in his or her
4 possession on July 1, 2019 to which tax stamps have been
5 affixed, and any distributor having stamps in his or her
6 possession on July 1, 2019 that have not been affixed to
7 packages of cigarettes before July 1, 2019, is required to pay
8 the additional tax that begins on July 1, 2019 imposed by
9 Public Act 101-31 to the extent that the volume of affixed and
10 unaffixed stamps in the distributor's possession on July 1,
11 2019 exceeds the average monthly volume of cigarette stamps
12 purchased by the distributor in calendar year 2018. This
13 payment, less the discount provided in subsection (l), is due
14 when the distributor first makes a purchase of cigarette
15 stamps on or after July 1, 2019 or on the first due date of a
16 return under this Act occurring on or after July 1, 2019,
17 whichever occurs first. Those distributors may elect to pay
18 the additional tax on packages of cigarettes to which stamps
19 have been affixed and on any stamps in the distributor's
20 possession that have not been affixed to packages of
21 cigarettes in their possession on July 1, 2019 over a period
22 not to exceed 12 months from the due date of the additional tax
23 by notifying the Department in writing. The first payment for
24 distributors making such election is due when the distributor
25 first makes a purchase of cigarette tax stamps on or after July
26 1, 2019 or on the first due date of a return under this Act

1 occurring on or after July 1, 2019, whichever occurs first.
2 Distributors making such an election are not entitled to take
3 the discount provided in subsection (l) on such payments.

4 (i) Any retailer having cigarettes in its possession on
5 July 1, 2019 to which tax stamps have been affixed is not
6 required to pay the additional tax that begins on July 1, 2019
7 imposed by Public Act 101-31 on those stamped cigarettes.

8 (j) Distributors making sales of cigarettes to secondary
9 distributors shall add the amount of the tax to the price of
10 the cigarettes sold by the distributors. Secondary
11 distributors making sales of cigarettes to retailers shall
12 include the amount of the tax in the price of the cigarettes
13 sold to retailers. The amount of tax shall not be less than the
14 amount of taxes imposed by the State and all local
15 jurisdictions. The amount of local taxes shall be calculated
16 based on the location of the retailer's place of business
17 shown on the retailer's certificate of registration or
18 sub-registration issued to the retailer pursuant to Section 2a
19 of the Retailers' Occupation Tax Act. The original packages of
20 cigarettes sold to the retailer shall bear all the required
21 stamps, or other indicia, for the taxes included in the price
22 of cigarettes.

23 (k) The amount of the Cigarette Tax imposed by this Act
24 shall be separately stated, apart from the price of the goods,
25 by distributors, manufacturer representatives, secondary
26 distributors, and retailers, in all bills and sales invoices.

1 (1) The distributor shall be required to collect the tax
2 provided under subsection (a) and, to cover the costs of such
3 collection, shall be allowed a discount during any year
4 commencing July 1st and ending the following June 30th in
5 accordance with the schedule set out hereinbelow, which
6 discount shall be allowed at the time of purchase of the stamps
7 when purchase is required by this Act, or at the time when the
8 tax is remitted to the Department without the purchase of
9 stamps from the Department when that method of paying the tax
10 is required or authorized by this Act.

11 On and after December 1, 1985, a discount equal to 1.75% of
12 the amount of the tax payable under this Act up to and
13 including the first \$3,000,000 paid hereunder by such
14 distributor to the Department during any such year and 1.5% of
15 the amount of any additional tax paid hereunder by such
16 distributor to the Department during any such year shall
17 apply.

18 Two or more distributors that use a common means of
19 affixing revenue tax stamps or that are owned or controlled by
20 the same interests shall be treated as a single distributor
21 for the purpose of computing the discount.

22 (m) The taxes herein imposed are in addition to all other
23 occupation or privilege taxes imposed by the State of
24 Illinois, or by any political subdivision thereof, or by any
25 municipal corporation.

26 (Source: P.A. 103-9, eff. 6-7-23; 103-605, eff. 7-1-24.)

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.