

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 Cigarette Tax Act is amended by changing
5 Section 2 as follows:

6 (35 ILCS 130/2) (from Ch. 120, par. 453.2)

7 Sec. 2. Tax imposed; rate; collection, payment, and
8 distribution; discount.

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

15 (b) The payment of such taxes shall be evidenced by a stamp
16 affixed to each original package of cigarettes, or an
17 authorized substitute for such stamp imprinted on each
18 original package of such cigarettes underneath the sealed
19 transparent outside wrapper of such original package, as
20 hereinafter provided. However, such taxes are not imposed upon
21 any activity in such business in interstate commerce or
22 otherwise, which activity may not under the Constitution and
23 statutes of the United States be made the subject of taxation

1 by this State.

2 Out of the 149 mills per cigarette tax imposed by
3 subsection (a), until July 1, 2023, the revenues received from
4 4 mills shall be paid into the Common School Fund each month,
5 not to exceed \$9,000,000 per month. Out of the 149 mills per
6 cigarette tax imposed by subsection (a), until July 1, 2023,
7 all of the revenues received from 7 mills shall be paid into
8 the Common School Fund each month. Out of the 149 mills per
9 cigarette tax imposed by subsection (a), until July 1, 2023,
10 50 mills per cigarette each month shall be paid into the
11 Healthcare Provider Relief Fund.

12 Beginning on July 1, 2006 and until July 1, 2023, all of
13 the moneys received by the Department of Revenue pursuant to
14 this Act and the Cigarette Use Tax Act, other than the moneys
15 that are dedicated to the Common School Fund and, beginning on
16 the effective date of this amendatory Act of the 97th General
17 Assembly, other than the moneys from the additional taxes
18 imposed by this amendatory Act of the 97th General Assembly
19 that must be paid each month into the Healthcare Provider
20 Relief Fund, and other than the moneys from the additional
21 taxes imposed by this amendatory Act of the 101st General
22 Assembly that must be paid each month under subsection (c),
23 shall be distributed each month as follows: first, there shall
24 be paid into the General Revenue Fund an amount that, when
25 added to the amount paid into the Common School Fund for that
26 month, equals \$29,200,000; then, from the moneys remaining, if

1 any amounts required to be paid into the General Revenue Fund
2 in previous months remain unpaid, those amounts shall be paid
3 into the General Revenue Fund; then from the moneys remaining,
4 \$5,000,000 per month shall be paid into the School
5 Infrastructure Fund; then, if any amounts required to be paid
6 into the School Infrastructure Fund in previous months remain
7 unpaid, those amounts shall be paid into the School
8 Infrastructure Fund; then the moneys remaining, if any, shall
9 be paid into the Long-Term Care Provider Fund. Any amounts
10 required to be paid into the General Revenue Fund, the School
11 Infrastructure Fund, the Long-Term Care Provider Fund, the
12 Common School Fund, the Capital Projects Fund, or the
13 Healthcare Provider Relief Fund under this subsection that
14 remain unpaid as of July 1, 2023 shall be deemed satisfied on
15 that date, eliminating any deficiency accrued through that
16 date.

17 (c) Beginning on July 1, 2019 and until July 1, 2023, all
18 of the moneys from the additional taxes imposed by Public Act
19 101-31, except for moneys received from the tax on electronic
20 cigarettes, received by the Department of Revenue pursuant to
21 this Act, the Cigarette Use Tax Act, and the Tobacco Products
22 Tax Act of 1995 shall be distributed each month into the
23 Capital Projects Fund.

24 (c-5) Beginning on July 1, 2023, all of the moneys
25 received by the Department of Revenue pursuant to (i) this
26 Act, (ii) the Cigarette Use Tax Act, and (iii) the tax imposed

1 on little cigars under Section 10-10 of the Tobacco Products
2 Tax Act of 1995 shall be paid each month as follows:

3 (1) 7% into the Common School Fund;

4 (2) 34% into the Healthcare Provider Relief Fund;

5 (3) 34% into the Capital Projects Fund; and

6 (4) 25% into the General Revenue Fund.

7 (d) Until July 1, 2023, except ~~Except~~ for moneys received
8 from 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 subsections (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 this
9 amendatory Act of the 101st General Assembly to the extent
10 that the volume of affixed and unaffixed stamps in the
11 distributor's possession on July 1, 2019 exceeds the average
12 monthly volume of cigarette stamps purchased by the
13 distributor in calendar year 2018. This payment, less the
14 discount provided in subsection (l), is due when the
15 distributor first makes a purchase of cigarette stamps on or
16 after July 1, 2019 or on the first due date of a return under
17 this Act occurring on or after July 1, 2019, whichever occurs
18 first. Those distributors may elect to pay the additional tax
19 on packages of cigarettes to which stamps have been affixed
20 and on any stamps in the distributor's possession that have
21 not been affixed to packages of cigarettes in their possession
22 on July 1, 2019 over a period not to exceed 12 months from the
23 due date of the additional tax by notifying the Department in
24 writing. The first payment for distributors making such
25 election is due when the distributor first makes a purchase of
26 cigarette tax stamps on or after July 1, 2019 or on the first

1 due date of a return under this Act occurring on or after July
2 1, 2019, whichever occurs first. Distributors making such an
3 election are not entitled to take the discount provided in
4 subsection (l) on such payments.

5 (i) Any retailer having cigarettes in its possession on
6 July 1, 2019 to which tax stamps have been affixed is not
7 required to pay the additional tax that begins on July 1, 2019
8 imposed by this amendatory Act of the 101st General Assembly
9 on those stamped cigarettes.

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

25 (k) The amount of the Cigarette Tax imposed by this Act
26 shall be separately stated, apart from the price of the goods,

1 by distributors, manufacturer representatives, secondary
2 distributors, and retailers, in all bills and sales invoices.

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

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

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

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

1 municipal corporation.

2 (Source: P.A. 100-1171, eff. 1-4-19; 101-31, eff. 6-28-19;

3 101-604, eff. 12-13-19.)

4 Section 99. Effective date. This Act takes effect upon

5 becoming law.