

SB1433



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

SB1433

Introduced 2/9/2007, by Sen. Ms. Mattie Hunter

SYNOPSIS AS INTRODUCED:

35 ILCS 130/1

from Ch. 120, par. 453.1

Amends the Cigarette Tax Act. Provides that the definition of "retailer" does not include any person who transfers cigarettes to a not-for-profit research institution that conducts tests concerning the health effects of tobacco products and who does not offer the cigarettes for resale. Effective immediately.

LRB095 04684 BDD 24743 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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 1 as follows:

6 (35 ILCS 130/1) (from Ch. 120, par. 453.1)

7 Sec. 1. For the purposes of this Act:

8 "Cigarette", when used in this Act, shall be construed to
9 mean: Any roll for smoking made wholly or in part of tobacco
10 irrespective of size or shape and whether or not such tobacco
11 is flavored, adulterated or mixed with any other ingredient,
12 and the wrapper or cover of which is made of paper or any other
13 substance or material except tobacco.

14 "Person" means any natural individual, firm, partnership,
15 association, joint stock company, joint adventure, public or
16 private corporation, however formed, limited liability
17 company, or a receiver, executor, administrator, trustee,
18 guardian or other representative appointed by order of any
19 court.

20 "Prior Continuous Compliance Taxpayer" means any person
21 who is licensed under this Act and who, having been a licensee
22 for a continuous period of 5 years, is determined by the
23 Department not to have been either delinquent or deficient in

1 the payment of tax liability during that period or otherwise in
2 violation of this Act. Also, any taxpayer who has, as verified
3 by the Department, continuously complied with the condition of
4 his bond or other security under provisions of this Act for a
5 period of 5 consecutive years shall be considered to be a
6 "Prior continuous compliance taxpayer". In calculating the
7 consecutive period of time described herein for qualification
8 as a "prior continuous compliance taxpayer", a consecutive
9 period of time of qualifying compliance immediately prior to
10 the effective date of this amendatory Act of 1987 shall be
11 credited to any licensee who became licensed on or before the
12 effective date of this amendatory Act of 1987.

13 "Department" means the Department of Revenue.

14 "Sale" means any transfer, exchange or barter in any manner
15 or by any means whatsoever for a consideration, and includes
16 and means all sales made by any person.

17 "Original Package" means the individual packet, box or
18 other container whatsoever used to contain and to convey
19 cigarettes to the consumer.

20 "Distributor" means any and each of the following:

21 (1) Any person engaged in the business of selling
22 cigarettes in this State who brings or causes to be brought
23 into this State from without this State any original packages
24 of cigarettes, on which original packages there is no
25 authorized evidence underneath a sealed transparent wrapper
26 showing that the tax liability imposed by this Act has been

1 paid or assumed by the out-of-State seller of such cigarettes,
2 for sale or other disposition in the course of such business.

3 (2) Any person who makes, manufactures or fabricates
4 cigarettes in this State for sale in this State, except a
5 person who makes, manufactures or fabricates cigarettes as a
6 part of a correctional industries program for sale to residents
7 incarcerated in penal institutions or resident patients of a
8 State-operated mental health facility.

9 (3) Any person who makes, manufactures or fabricates
10 cigarettes outside this State, which cigarettes are placed in
11 original packages contained in sealed transparent wrappers,
12 for delivery or shipment into this State, and who elects to
13 qualify and is accepted by the Department as a distributor
14 under Section 4b of this Act.

15 "Place of business" shall mean and include any place where
16 cigarettes are sold or where cigarettes are manufactured,
17 stored or kept for the purpose of sale or consumption,
18 including any vessel, vehicle, airplane, train or vending
19 machine.

20 "Business" means any trade, occupation, activity or
21 enterprise engaged in for the purpose of selling cigarettes in
22 this State.

23 "Retailer" means any person who engages in the making of
24 transfers of the ownership of, or title to, cigarettes to a
25 purchaser for use or consumption and not for resale in any
26 form, for a valuable consideration. "Retailer" does not

1 include, ~~except~~ a person:

2 (1) who transfers to residents incarcerated in penal
3 institutions or resident patients of a State-operated
4 mental health facility ownership of cigarettes made,
5 manufactured, or fabricated as part of a correctional
6 industries program; or

7 (2) who transfers cigarettes to a not-for-profit
8 research institution that conducts tests concerning the
9 health effects of tobacco products and who does not offer
10 the cigarettes for resale.

11 "Retailer" shall be construed to include any person who
12 engages in the making of transfers of the ownership of, or
13 title to, cigarettes to a purchaser, for use or consumption by
14 any other person to whom such purchaser may transfer the
15 cigarettes without a valuable consideration, except a person
16 who transfers to residents incarcerated in penal institutions
17 or resident patients of a State-operated mental health facility
18 ownership of cigarettes made, manufactured or fabricated as
19 part of a correctional industries program.

20 (Source: P.A. 88-480.)

21 Section 99. Effective date. This Act takes effect upon
22 becoming law.