

Illinois Department of Revenue  
Regulations

Title 86 Part 423 Section 105 DEFINITIONS

TITLE 86: REVENUE  
CHAPTER I: DEPARTMENT OF REVENUE

PART 423  
CANNABIS PURCHASER EXCISE TAX

Section 423.105 Definitions

"Act" means the Cannabis Regulation and Tax Act. [410 ILCS 705]

*"Adjusted delta-9-tetrahydrocannabinol level" means, for a delta-9-tetrahydrocannabinol dominant product, the sum of the percentage of delta-9-tetrahydrocannabinol plus .877 multiplied by the percentage of tetrahydrocannabinolic acid. [410 ILCS 705/65-5]*

*"Automated sales suppression device" or "zapper" means a software program that falsifies the electronic records of an electronic cash register or other point-of-sale system, including, but not limited to, transaction data and transaction reports. The term includes the software program, any device that carries the software program, or an Internet link to the software program. [410 ILCS 705/65-38]*

"Cannabis" means:

*marijuana, hashish, and other substances that are identified as including any parts of the plant Cannabis sativa and including derivatives or subspecies, such as indica, of all strains of cannabis, whether growing or not;*

*the seeds of the plant;*

*the resin extracted from any part of the plant;*

*any compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin, including tetrahydrocannabinol (THC) and all other naturally produced cannabinol derivatives, whether produced directly or indirectly by extraction; and*

*cannabis flower, concentrate, and cannabis-infused products.*

"Cannabis" does not include:

*the mature stalks of the plant;*

*fiber produced from the stalks;*

*oil or cake made from the seeds of the plant;*

*any other compound, manufacture, salt, derivative, mixture, or preparation of the*

*mature stalks (except the resin extracted from it), fiber, oil or cake;*

*the sterilized seed of the plant that is incapable of germination;*

*industrial hemp as defined and authorized under the Industrial Hemp Act [505 ILCS 5]; or*

*cannabis that is subject to tax under the Compassionate Use of Medical Cannabis Program Act [410 ILCS 130]. [410 ILCS 705/1-10]*

*"Cannabis business establishment" means a cultivation center, craft grower, infuser organization, processing organization, dispensing organization, or transporting organization. [410 ILCS 705/1-10]*

*"Cannabis concentrate" means a product derived:*

*from cannabis that is produced by extracting cannabinoids, including tetrahydrocannabinol (THC), from the plant through the use of:*

*propylene glycol, glycerin, butter, olive oil or other typical cooking fats;*

*water, ice, or dry ice; or*

*butane, propane, CO<sub>2</sub>, ethanol, or isopropanol; and*

*with the intended use of smoking or making a cannabis-infused product. [410 ILCS 705/1-10]*

*"Cannabis flower" means marijuana, hashish, and other substances that are identified as including any parts of the plant Cannabis sativa and including:*

*derivatives or subspecies, such as indica, of all strains of cannabis; and*

*raw kief, leaves, and buds, but not:*

*resin that has been extracted from any part of the plant; nor*

*any compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. [410 ILCS 705/1-10]*

*"Cannabis-infused product" means beverage, food, oils, ointments, tincture, topical formulation, or another product containing cannabis that is not intended to be smoked. "Cannabis-infused product" does not include cannabis concentrates. [410 ILCS 705/65-5]*

*"Cannabis Purchaser Excise Tax" or "Tax" means the tax imposed by Section 65-10 of the Law.*

*"Craft grower" means a facility operated by an organization or business that is licensed by the Department of Agriculture to cultivate, dry, cure, and package cannabis and perform other necessary activities to make cannabis available for sale at a dispensing organization or use at a processing organization. A craft grower may contain up to*

*5,000 square feet of canopy space on its premises for plants in the flowering state. The Department of Agriculture may authorize an increase or decrease of flowering stage cultivation space in increments of 3,000 square feet by rule based on market need, craft grower capacity, and the licensee's history of compliance or noncompliance, with a maximum space of 14,000 square feet for cultivating plants in the flowering stage, which must be cultivated in all stages of growth in an enclosed and secure area. A craft grower may share premises with a processing organization or a dispensing organization, or both, provided each licensee stores currency and cannabis or cannabis-infused products in a separate secured vault to which the other licensee does not have access or all licensees sharing a vault share more than 50% of the same ownership. [410 ILCS 705/1-10]*

*"Cannabis retailer" means a dispensing organization that sells cannabis for use and not for resale. [410 ILCS 705/65-5]*

*"Department" means the Department of Revenue. [410 ILCS 705/65-5]*

*"Dispensary" means a facility operated by a dispensing organization at which activities licensed by the Act may occur. [410 ILCS 705/1-10]*

*"Dispensing organization" means a facility operated by an organization or business that is licensed by the Department of Financial and Professional Regulation to acquire cannabis from a cultivation center, craft grower, processing organization, infuser, or another dispensary for the purpose of selling or dispensing cannabis, cannabis-infused products, cannabis seeds, paraphernalia, or related supplies under the Act to purchasers or to qualified registered medical cannabis patients and caregivers. As used in the Act, dispensing organization includes a registered medical cannabis organization as defined in the Compassionate Use of Medical Cannabis Program Act or its successor Act that has obtained an Early Approval Adult Use Dispensing Organization License. [410 ILCS 705/1-10]*

*"Electronic cash register" means a device that keeps a register or supporting documents through the use of an electronic device or computer system designed to record transaction data for the purpose of computing, compiling, or processing retail sales transaction data in any manner. [410 ILCS 705/65-38]*

*"Infuser organization" or "infuser" means a facility operated by an organization or business that is licensed by the Department of Agriculture to directly incorporate cannabis or cannabis concentrate into a product formulation to produce a cannabis-infused product. [410 ILCS 705/65-5]*

*"Law" means the Cannabis Purchaser Excise Tax Law [410 ILCS 705/Art. 65].*

*"Person" means:*

*a natural individual, firm, partnership, association, joint stock company, joint adventure, public or private corporation, limited liability company; or*

*a receiver, executor, trustee, guardian, or other representative appointed by order of any court. [410 ILCS 705/65-5]*

*"Phantom-ware" means a hidden programming option embedded in the operating system of an electronic cash register or hardwired into an electronic cash register that can be used to create a second set of records or that can eliminate or manipulate transaction records in an electronic cash register. [410 ILCS 705/65-38]*

*"Purchase price":*

*means the consideration paid for a purchase of cannabis, valued in money, whether received in money or otherwise, including cash, gift cards, credits, and property; and*

*shall be determined without any deduction on account of the cost of materials used, labor or service costs, or any other expense whatsoever.*

*However, "purchase price" does not include consideration paid for:*

*any charge for a payment that is not honored by a financial institution;*

*any finance or credit charge, penalty or charge for delayed payment, or discount for prompt payment; and*

*any amounts added to a purchaser's bill because of charges made under the tax imposed by the Cannabis Purchase Excise Tax Law, the Municipal Cannabis Retailers' Occupation Tax Law [65 ILCS 5/8-11-23], the County Cannabis Retailers' Occupation Tax Law [55 ILCS 5/5-1006.8], the Retailers' Occupation Tax Act [35 ILCS 120], the Use Tax Act [35 ILCS 105], the Service Occupation Tax Act [35 ILCS 115], the Service Use Tax Act [35 ILCS 110], or any locally imposed occupation or use tax. [410 ILCS 705/65-5]*

*"Purchaser" means a person who acquires cannabis for a valuable consideration. [410 ILCS 705/65-5]*

*"Smoked" or "smoking" means changing cannabis from a hard, soft, or liquid form by combustion, heat, electricity, or batteries into a form that can be inhaled by the user.*

*"Taxpayer" means a cannabis retailer who is required to collect the Tax imposed under the Law. [410 ILCS 705/65-5]*

*"Transaction data" includes:*

*items purchased by a purchaser;*

*the price of each item;*

*a taxability determination for each item;*

*a segregated tax amount for each taxed item;*

*the amount of cash or credit tendered;*

*the net amount returned to the customer in change;*

*the date and time of the purchase;*

*the name, address, and identification number of the vendor; and*

*the receipt or invoice number of the transaction.* [410 ILCS 705/65-38]

*"Transaction report" means a report that documents, without limitation, the sales, taxes, or fees collected, media totals, and discount voids at an electronic cash register and that is printed on a cash register tape at the end of a day or shift, or a report that documents every action at an electronic cash register and is stored electronically.* [410 ILCS 705/65-38]

(Source: Amended at 45 Ill. Reg. 4124, effective March 09, 2021)