

**Illinois Department of Revenue
Regulations**

Title 86 Part 423 Section 130 Return and Payment of Tax by Cannabis Retailer

**TITLE 86: REVENUE
CHAPTER I: DEPARTMENT OF REVENUE**

**PART 423
CANNABIS PURCHASER EXCISE TAX**

Section 423.130 Return and Payment of Tax by Cannabis Retailer

- a) *Each cannabis retailer that is required or authorized to collect the Tax imposed by the Law shall make a return to the Department, by electronic means, on or before the 20th day of each month for the preceding calendar month stating the following:*
 - 1) *the cannabis retailer's name;*
 - 2) *the address of the cannabis retailer's principal place of business and the address of the principal place of business (if that is a different address) from which the cannabis retailer engaged in the business of selling cannabis subject to the Tax;*
 - 3) *the total purchase price received by the cannabis retailer for cannabis subject to the Tax;*
 - 4) *the amount of the Tax due at each rate;*
 - 5) *the signature of the cannabis retailer; and*
 - 6) *any other information the Department may reasonably require.*
- b) *All returns required to be filed and payments required to be made under the Law shall be by electronic means. Cannabis retailers who demonstrate hardship in paying electronically may petition the Department to waive the electronic payment requirement. Taxpayers may not petition the Department for a waiver of the requirement to file all returns by electronic means.*
- c) *Any amount that is required to be shown or reported on any return or other document under the Law shall, if the amount is not a whole-dollar amount, be increased to the nearest whole-dollar amount if the fractional part of a dollar is \$0.50 or more and decreased to the nearest whole-dollar amount if the fractional part of a dollar is less than \$0.50. If a total amount of less than \$1 is payable, refundable, or creditable, the amount shall be disregarded if it is less than \$0.50 and shall be increased to \$1 if it is \$0.50 or more.*
- d) *The cannabis retailer making the return provided for in this Section shall also pay to the Department, in accordance with this Section, the amount of Tax imposed by the Law, less a discount of 1.75%, but not to exceed \$1,000 per return period, which is allowed to reimburse the cannabis retailer for the expenses incurred in keeping records, collecting the Tax, preparing and filing returns, remitting the Tax, and supplying data to the*

Department upon request. No discount may be claimed by a cannabis retailer on returns not timely filed and for taxes not timely remitted. No discount may be claimed by a taxpayer for any return that is not filed electronically. No discount may be claimed by a taxpayer for any payment that is not made electronically, unless a waiver has been granted under subsection (b).

- e) *Notwithstanding any other provision of the Law concerning the time within which a cannabis retailer may file a return, any cannabis retailer who ceases to engage in the kind of business that makes the person responsible for filing returns under the Law shall file a final return under the Law with the Department within one month after discontinuing the business.*
- f) *Each cannabis retailer shall make estimated payments to the Department on or before the 7th, 15th, 22nd, and last day of the month during which Tax liability to the Department is incurred. The payments shall be in an amount not less than the lower of either 22.5% of the cannabis retailer's actual Tax liability for the month or 25% of the cannabis retailer's actual Tax liability for the same calendar month of the preceding year. The amount of the quarter-monthly payments shall be credited against the final Tax liability of the cannabis retailer's return for that month. If any such quarter-monthly payment is not paid at the time or in the amount required by this subsection, then the cannabis retailer shall be liable for penalties and interest on the difference between the minimum amount due as a payment and the amount of the quarter-monthly payment actually and timely paid, except insofar as the cannabis retailer has previously made payments for that month to the Department in excess of the minimum payments previously due as provided in this subsection.*
- g) *If any payment provided for in this Section exceeds the taxpayer's liabilities under the Law, as shown on an original monthly return, the Department will, if requested by the taxpayer, issue to the taxpayer a credit memorandum no later than 30 days after the date of payment. The credit evidenced by the credit memorandum may be assigned by the taxpayer to a similar taxpayer under the Law, in accordance with reasonable rules to be prescribed by the Department. If no such request is made, the taxpayer may credit the excess payment against the Tax liability subsequently to be remitted to the Department under the Law, in accordance with reasonable rules prescribed by the Department. If the Department subsequently determines that all or any part of the credit taken was not actually due to the taxpayer, the taxpayer's discount shall be reduced, if necessary, to reflect the difference between the credit taken and that actually due, and that taxpayer shall be liable for penalties and interest on the difference. If a cannabis retailer fails to sign a return within 30 days after the proper notice and demand for signature by the Department is received by the cannabis retailer, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed. [410 ILCS 705/65-30]*

(SOURCE: Adopted at 44 Ill. Reg.10751, effective June 02, 2020.)