

**Illinois Department of Revenue
Regulations**

Title 86 Part 425 Section 105 Definitions

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

**PART 425
MUNICIPAL CANNABIS RETAILERS' OCCUPATION TAX**

Section 425.105 Definitions

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

"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 705/1-10]

"Cannabis business establishment" means a cultivation center, craft grower, processing organization, infuser organization, dispensing organization, or transporting organization licensed under the Cannabis Regulation and Tax Act. [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, CO₂, 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. [410 ILCS 705/65-5]

"Cannabis retailer" means a dispensing organization licensed under the Cannabis Regulation and Tax Act that sells cannabis for use and not for resale. [410 ILCS 705/65-1]

"Department" means the Department of Revenue.

"Gross receipts" from the sales of cannabis by a cannabis retailer means the total selling price or the amount of such sales. In the case of charges and time sales, the amount thereof shall be included only when payments are received by the cannabis retailer.

"Law" means the Municipal Cannabis Retailers' Occupation Tax Law [65 ILCS 5/8-11-23].

"Municipal Cannabis Retailers' Occupation Tax" or "Tax" means the Tax imposed by the Law.

"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.

"Purchaser" means a person who acquires cannabis for a valuable consideration.

"Selling price" or "Amount of sale" means the consideration for a sale valued in money, whether received in money or otherwise, including cash, credits, property, and services, and shall be determined without any deduction on account of the cost of the property sold, the cost of materials used, labor or service cost, or any other expense whatsoever, but does not include separately stated charges identified on the invoice by cannabis retailers to reimburse themselves for their Tax liability under the Law. However, "selling 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 Municipal Cannabis Retailers' Occupation Tax Law, the Cannabis Purchaser Excise Tax Law [410 ILCS 705/Art.65], the County Cannabis Retailers' Occupation Tax Law [55 ILCS 5/5-1006.8], the Use Tax Act [35 ILCS 105], the Service Use Tax Act [35 ILCS 110], or any locally imposed occupation tax.

"Taxpayer" means a cannabis retailer who is required to remit the Tax imposed under the Law.

(SOURCE: Adopted at 44 Ill. Reg.10790, effective June 02, 2020.)