

**Illinois Department of Revenue
Regulations**

Title 86 Part 425 Section 115 Bundling of Taxable and Nontaxable Items; Prohibition; Taxation

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

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

Section 425.115 Bundling of Taxable and Nontaxable Items; Prohibition; Taxation

- a) Section 15-70(n)(17) of the Act prohibits dispensing organizations from selling cannabis, cannabis-infused products, and concentrates in combination or bundled with each other or any other items for one price. If a cannabis retailer sells cannabis, concentrate, or cannabis-infused products in combination or bundled with items that are not subject to Tax under the Law for one price in violation of the prohibition on this activity in Section 15-70 of the Act, then the Tax is imposed on the selling price of the entire bundled product.

EXAMPLE: A cannabis retailer makes gift baskets that contain a $\frac{1}{4}$ ounce of cannabis that normally sells for \$60, a pipe that normally sells for \$20, 4 cannabis-infused pods that normally sell for \$40, and an electronic device the pods can be used with that normally sells for \$45. The cannabis retailer offers the basket for \$135. The Tax is imposed on the selling price of \$135.

- b) *Each item of cannabis, concentrate and cannabis-infused product must be separately identified by quantity and price on the receipt. [410 ILCS 705/15-70(n)(17)]*

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