

**Illinois Department of Revenue
Regulations**

Title 86 Part 660 Section 660.18 Stamping Distributors; Purchasing Tax Stamps; Affixing Tax Stamps to Packages of Little Cigars

TITLE 86: REVENUE

**PART 660
TOBACCO PRODUCTS TAX ACT OF 1995**

Section 660.18 Stamping Distributors; Purchasing Tax Stamps; Affixing Tax Stamps to Packages of Little Cigars

Only a stamping distributor may purchase and affix stamps to packages of little cigars containing 20 or 25 little cigars.

- a) *Stamping distributors of packages of little cigars containing 20 or 25 little cigars sold or otherwise disposed of in this State shall remit the tax by purchasing tax stamps from the Department and affixing them to packages of little cigars in the same manner as stamps are purchased and affixed to cigarettes under the Cigarette Tax Act, unless the stamping distributor sells or otherwise disposes of those packages of little cigars to another stamping distributor. Only persons meeting the definition of "stamping distributor" contained in Section 660.10 may affix stamps to packages of little cigars containing 20 or 25 little cigars. Stamping distributors may not sell or dispose of little cigars at retail to consumers or users at locations where stamping distributors affix stamps to packages of little cigars containing 20 or 25 little cigars. [35 ILCS 143/10-10(b)]*
- b) *Whenever a stamping distributor brings or causes to be brought into this State from without this State, or purchases from without or within this State, any packages of little cigars containing 20 or 25 little cigars upon which there are no tax stamps affixed as required by the Act, for purposes of resale or disposal in this State to a person not a stamping distributor, then the stamping distributor shall pay the tax to the Department and add the amount of the tax to the price of the packages sold by the stamping distributor. Payment of the tax shall be evidenced by a stamp or stamps affixed to each package of little cigars containing 20 or 25 little cigars. [35 ILCS 143/10-10(c)]*
- c) *Tax stamps for packages of little cigars are the same stamps used for packages of cigarettes under the Cigarette Tax Act. [35 ILCS 143/10-5]*
- d) *Stamping distributors paying the tax to the Department on packages of little cigars containing 20 or 25 little cigars sold to other distributors, wholesalers or retailers shall add the amount of the tax to the price of the packages of little cigars containing 20 or 25 little cigars sold by the stamping distributors. [35 ILCS 143/10-10(c)]*
- e) *The Department may refuse to sell tax stamps to any person who does not comply with the provisions of the Act.*
- f) *The Department, or any person authorized by the Department, will sell tax stamps only to stamping distributors, subject to discounts as explained in subsection (g). The*

discount shall be allowed at the time of purchase of the stamps. Payment for the stamps must be made by means of electronic funds transfer.

- g) A stamping distributor may include the amount of the tax paid for stamps affixed to packages of little cigars under the Act when calculating the discount to which the stamping distributor may be entitled for tax paid for stamps affixed to packages of cigarettes under the Cigarette Tax Act. (See 86 Ill. Adm. Code 440.90.)
- h) Two or more distributors that use a common means of affixing revenue tax stamps or that are owned or controlled by the same interests shall be treated as a single distributor for the purpose of computing the discount.
- i) Sales and transfers of Illinois tax stamps by one stamping distributor to another stamping distributor are not permitted unless authorization is given in writing by the Department to make the sale or transfer.
- j) Packages of little cigars sold by stamping distributors to other stamping distributors must not be accompanied by loose stamps.
- k) When, at the time of terminating his or her business as a stamping distributor in this State, a stamping distributor has on hand unaffixed Illinois tax stamps, he or she may transfer or sell those unaffixed stamps to some other stamping distributor, provided that, prior to the sale or transfer, the stamping distributor shall request and receive from the Department, in writing, authority to sell or transfer the stamps. At the time of requesting authority to sell and transfer stamps to some other stamping distributor, the stamping distributor making the request must submit the name and address of the stamping distributor to whom he or she intends to sell the stamps, together with the exact number of stamps in each series to be sold or transferred.
- l) When stamps have become mutilated or otherwise unfit for use, stamping distributors shall file a claim with the Department. (See Section 660.40.)

(Source: Added at 40 Ill. Reg. 10954, effective July 29, 2016)