

**Illinois Department of Revenue  
Regulations**

**Title 86 Part 660 Section 19 Electronic Cigarettes**

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

**PART 660  
Tobacco Products Tax Act of 1995 Section**

**Section 660.19 Electronic Cigarettes**

- a) Beginning July 1, 2019, electronic cigarettes are included in the definition of "tobacco products" and subject to the provisions of this Part.
- b) To be excluded from the definition of "electronic cigarette" as a therapeutic product approved for use under the Compassionate Use of Medical Cannabis Program Act, the product must be marketed as a therapeutic product and sold in a dispensary that possesses a dispensary license under the Compassionate Use of Medical Cannabis Program Act.
- c) Components or parts that can be used to build a product or device that are sold to consumers by a vape shop that are generally available from other retailers and can be used for purposes other than for use in a product or device are not taxable under the Act. For example, if the same cotton product sold at a vape store is sold by a drug store for general use, it would not be taxable under the Act. If the same batteries or coils sold at a vape store can be purchased from a hardware store for general use and other applications, they are not taxable under the Act. However, if the packaging or product description of the item states the item is for use in a vape device, or the product is designed, produced and marketed by the manufacturer for use in a specific device and cannot be used in other products or for other purposes, the item is taxable under the Act.
- d) **Registration and Licenses**
  - 1) Retailers selling electronic cigarettes at retail to users and consumers must obtain a tobacco retailer license. (See Section 660.16.)
  - 2) Retailers selling electronic cigarettes on which the tax has not or will not be paid by a distributor must obtain a distributor license, file returns, and remit the tax to the Department. (See Section 660.15.)
  - 3) Manufacturers of electronic cigarettes (e.g., devices, liquids, pods) meeting the definition of "distributor" selling electronic cigarettes directly to consumers must obtain both a distributor license and a tobacco retailer license.
  - 4) Any manufacturer or wholesaler engaged in the business of selling tobacco products from outside of Illinois who sells, exchanges, distributes, ships, or transports electronic cigarettes to retailers or consumers located in Illinois must

register to become a distributor if the manufacturer or wholesaler has or maintains within Illinois, directly or by subsidiary, an office, sales house, or other place of business, or any agent or other representative operating within Illinois under the authority of the person or subsidiary, irrespective of whether the place of business or agent or other representative is located here permanently or temporarily.

EXAMPLE: An out-of-state manufacturer of electronic cigarettes sells electronic cigarettes over the internet at retail to consumers in this State. It also sells electronic cigarettes to retailers in this State. The manufacturer has representatives that solicit sales by retail stores in this State. The manufacturer is required to obtain a distributor license and pay the tax on all sales made to retailers and consumers in this State.

e) Invoices

Whenever any sales invoice issued by an in-state or out-of-state seller for electronic cigarettes sold to a retailer does not comply with the requirements of Section 660.25(d) and (e), a prima facie presumption shall arise that the tax imposed by Section 10-10 of the Act and Section 660.5 has not been paid on the electronic cigarettes listed on the sales invoice. A retailer that is unable to rebut this presumption is in violation of both the Act and this Part and is subject to applicable taxes, penalties, and interest.

(Source: Amended at 44 Ill. Reg. 6079, effective April 3, 2020)