

**Illinois Department of Revenue  
Regulations**

<b>Title 86 Part 660 Section 660.40 Credit for Stamps that Are Damaged, Unused, Destroyed or Affixed to Packages of Little Cigars Returned to the Manufacturer</b>
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**TITLE 86: REVENUE**

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

**Section 660.40 Credit for Stamps that Are Damaged, Unused, Destroyed or Affixed to Packages of Little Cigars Returned to the Manufacturer**

- a) When a stamping distributor wishes to receive credit for stamps that have been affixed to packages of little cigars, the stamping distributor shall file a claim on a form prescribed by the Department.
- b) If the Department sends one or more of its representatives to witness the destruction of the stamps, the Department may charge the stamping distributor for travel expenses, such as lodging, meals and mileage.
- c) If a greater number of stamps in a certain series of stamps is destroyed than is included in the claim for credit, the excess number of stamps destroyed in that series of stamps will not be credited. If a lesser number of stamps in a certain series of stamps is destroyed than is included in the claim for credit, the actual number of stamps destroyed in that series will be credited. If stamps are destroyed in a certain series of stamps not listed in the claim for credit, credit for stamps in that series will not be made.
- d) Claims for credit for tax stamps will be approved only when the claim indicates that the packages of little cigars involved are unsalable and are to be shipped by the claimant in interstate commerce, by a common carrier or through the United States mails, to a designated consignee outside Illinois, or when the claim indicates that the packages of little cigars involved are unsalable and are to be destroyed by the claimant, when the claim indicates that the packages of little cigars involved have been improperly stamped (e.g., over-stamped, under-stamped) or when the claimant returns unused or damaged stamps.
- e) It is mandatory upon a stamping distributor to destroy (in the presence of a Department representative or representatives if the Department so requires) Illinois stamps that are affixed to packages of little cigars in connection with a claim to the Department for credit of stamps, if the stamping distributor has improperly stamped packages of little cigars by affixing Illinois tax stamps in an amount that is insufficient to evidence full payment of the tax.
- f) Claims for credit of tax stamps affixed to packages of little cigars will not be approved unless the stamping distributor filing the claim has title to the packages of little cigars covered by the claim and is carrying Illinois tax-stamped little cigars in his or her inventories.

- g) If a claim discloses that, subsequent to the destruction of the stamps, the unstamped packages of little cigars are to be shipped in interstate commerce to a designated out-of-state consignee, credit for the stamps will not be made unless and until the stamping distributor submits to the Department, to support his or her claim, an affidavit from the manufacturer that receives and destroys the stamps. If an affidavit cannot be obtained, a waybill, freight bill or bill of lading, issued by a common carrier, or an insurance receipt or registry receipt issued by the U.S. Postal Service (USPS), or a USPS receipt Form 3817, proving that the packages of little cigars have actually been shipped by the stamping distributor in interstate commerce, by common carrier or through the United States mails, to the out-of-state consignee designated in the claim, will be accepted.
- h) Subsequent to the destruction of tax stamps affixed to packages of little cigars, credit for the stamps will not be made if a review of pertinent returns filed by the stamping distributor reveals that the tax stamps scheduled in the claim have not been included in the stamping distributor's inventories.
- i) In connection with any claim for credit of Illinois tax stamps, in addition to the types of proof specified, the Department reserves the right to require additional proof in support of any claim as may appear to be necessary.
- j) If the Department approves a claim for credit for tax stamps, the Department (subject to the same limitations as those provided for in Section 660.35) may issue an assignable credit memorandum or refund to the stamping distributor or the stamping distributor's legal representative. Under no circumstances will a claim for credit be approved in an amount that exceeds the amount paid by the stamping distributor for the stamps that are the subject of the claim.

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