

■ Tobacco Products Tax

TO: Illinois Distributors, Retailers, and Manufacturers of Tobacco Products

Effective October 1, 1993, the Tobacco Products Tax Act imposes tax and licensing requirements on any person engaged in business as a distributor of tobacco products (excluding cigarettes) within the state of Illinois. The tax rate is 20 percent of the wholesale price of tobacco products sold or otherwise disposed of in Illinois.

What are tobacco products?

Tobacco products are all kinds and forms of tobacco (excluding cigarettes and tobacco purchased for the manufacture of cigarettes by cigarette distributors). The Tobacco Products Tax Act includes, but is not limited to

- cigars;
- cheroots;
- stogies;
- periques;
- granulated, plug cut, crimp cut, ready rubbed, and other smoking tobaccos;
- snuff or snuff flour;
- cavendish;

- plug and twist tobacco;
- fine cut and other chewing tobaccos;
- shorts; and
- refuse scraps, clippings, cuttings and sweepings of tobacco.

Do I need a license?

All Illinois distributors of tobacco products must be licensed. A distributor is any person — including those people who sell directly to consumers — engaged in the business of selling tobacco products in Illinois who

- brings or causes to be brought into Illinois any tobacco products for sale or disposition in the course of such business; or
- makes, manufactures or fabricates tobacco products in Illinois for sale in Illinois.

This definition includes retailers who purchase directly from unlicensed out-of-state suppliers.

To obtain a license, you must complete form TP-3, Tobacco Products Application for Registration.

Note: If you only make, manufacture, or fabricate cigarettes as part of a Correctional Indus-

tries program for sale to residents incarcerated in Illinois penal institutions or resident-patients of Illinois-operated mental health facilities, you are not considered a tobacco products distributor and do not need to be licensed.

What is taxable?

All types of tobacco products are taxable, except cigarettes as defined by the Illinois Cigarette Tax Act.

Am I required to file a bond with the department?

Unless you are already bonded under the Illinois Cigarette Tax Act, you must file a bond with us if you are required to be licensed as a tobacco products distributor.

How and when do I pay the tax?

You must file Form TP-1, Tobacco Products Tax Return, on or before the 15th day of each month, covering the preceding calendar month. The first return is due on or before November 15, 1993. Any taxes due must be paid at the time the return is filed.

Questions?

If you have questions or need more information, please call or write us. Our telephone numbers and address are printed at the bottom of this bulletin.



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**FOR
INFORMATION...**

CALL: 217 785-2622 *in Springfield* or 312 814-3225 *in Chicago*
1 800 544-5304 TDD teletype device **for hearing impaired only**

WRITE: Illinois Department of Revenue, 101 W. Jefferson St., P.O. Box 19477, Springfield, IL 62794-9477
