

# SB3175



## 101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB3175

Introduced 2/11/2020, by Sen. Craig Wilcox

### SYNOPSIS AS INTRODUCED:

35 ILCS 143/10-10

Amends the Tobacco Products Tax Act of 1995. Provides that, beginning January 1, 2021, the tax per cigar or other rolled tobacco product sold or otherwise disposed of shall not exceed \$0.50 per cigar or roll. Effective January 1, 2021.

LRB101 19571 HLH 69046 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Tobacco Products Tax Act of 1995 is amended  
5 by changing Section 10-10 as follows:

6 (35 ILCS 143/10-10)

7 Sec. 10-10. Tax imposed.

8 (a) Except as otherwise provided in this Section with  
9 respect to little cigars, on the first day of the third month  
10 after the month in which this Act becomes law, a tax is imposed  
11 on any person engaged in business as a distributor of tobacco  
12 products, as defined in Section 10-5, at the rate of (i) 18% of  
13 the wholesale price of tobacco products sold or otherwise  
14 disposed of to retailers or consumers located in this State  
15 prior to July 1, 2012 and (ii) 36% of the wholesale price of  
16 tobacco products sold or otherwise disposed of to retailers or  
17 consumers located in this State beginning on July 1, 2012;  
18 except that, beginning on January 1, 2013, the tax on moist  
19 snuff shall be imposed at a rate of \$0.30 per ounce, and a  
20 proportionate tax at the like rate on all fractional parts of  
21 an ounce, sold or otherwise disposed of to retailers or  
22 consumers located in this State; and except that, beginning  
23 July 1, 2019, the tax on electronic cigarettes shall be imposed

1 at the rate of 15% of the wholesale price of electronic  
2 cigarettes sold or otherwise disposed of to retailers or  
3 consumers located in this State. The tax is in addition to all  
4 other occupation or privilege taxes imposed by the State of  
5 Illinois, by any political subdivision thereof, or by any  
6 municipal corporation. However, the tax is not imposed upon any  
7 activity in that business in interstate commerce or otherwise,  
8 to the extent to which that activity may not, under the  
9 Constitution and Statutes of the United States, be made the  
10 subject of taxation by this State, and except that, beginning  
11 July 1, 2013, the tax on little cigars shall be imposed at the  
12 same rate, and the proceeds shall be distributed in the same  
13 manner, as the tax imposed on cigarettes under the Cigarette  
14 Tax Act. The tax is also not imposed on sales made to the  
15 United States or any entity thereof.

16 (b) Notwithstanding subsection (a) of this Section,  
17 stamping distributors of packages of little cigars containing  
18 20 or 25 little cigars sold or otherwise disposed of in this  
19 State shall remit the tax by purchasing tax stamps from the  
20 Department and affixing them to packages of little cigars in  
21 the same manner as stamps are purchased and affixed to  
22 cigarettes under the Cigarette Tax Act, unless the stamping  
23 distributor sells or otherwise disposes of those packages of  
24 little cigars to another stamping distributor. Only persons  
25 meeting the definition of "stamping distributor" contained in  
26 Section 10-5 of this Act may affix stamps to packages of little

1 cigars containing 20 or 25 little cigars. Stamping distributors  
2 may not sell or dispose of little cigars at retail to consumers  
3 or users at locations where stamping distributors affix stamps  
4 to packages of little cigars containing 20 or 25 little cigars.

5 (c) The impact of the tax levied by this Act is imposed  
6 upon distributors engaged in the business of selling tobacco  
7 products to retailers or consumers in this State. Whenever a  
8 stamping distributor brings or causes to be brought into this  
9 State from without this State, or purchases from without or  
10 within this State, any packages of little cigars containing 20  
11 or 25 little cigars upon which there are no tax stamps affixed  
12 as required by this Act, for purposes of resale or disposal in  
13 this State to a person not a stamping distributor, then such  
14 stamping distributor shall pay the tax to the Department and  
15 add the amount of the tax to the price of such packages sold by  
16 such stamping distributor. Payment of the tax shall be  
17 evidenced by a stamp or stamps affixed to each package of  
18 little cigars containing 20 or 25 little cigars.

19 Stamping distributors paying the tax to the Department on  
20 packages of little cigars containing 20 or 25 little cigars  
21 sold to other distributors, wholesalers or retailers shall add  
22 the amount of the tax to the price of the packages of little  
23 cigars containing 20 or 25 little cigars sold by such stamping  
24 distributors.

25 (d) Beginning on January 1, 2013, the tax rate imposed per  
26 ounce of moist snuff may not exceed 15% of the tax imposed upon

1 a package of 20 cigarettes pursuant to the Cigarette Tax Act.

2 (d-5) Notwithstanding the provisions of this Section,  
3 beginning January 1, 2021, the tax per cigar or other rolled  
4 tobacco product sold or otherwise disposed of shall not exceed  
5 \$0.50 per cigar or roll. This surtax shall be collected,  
6 administered, and enforced by the Department in the same manner  
7 as the tax imposed by this Section.

8 (e) All moneys received by the Department under this Act  
9 from sales occurring prior to July 1, 2012 shall be paid into  
10 the Long-Term Care Provider Fund of the State Treasury. Of the  
11 moneys received by the Department from sales occurring on or  
12 after July 1, 2012, except for moneys received from the tax  
13 imposed on the sale of little cigars, 50% shall be paid into  
14 the Long-Term Care Provider Fund and 50% shall be paid into the  
15 Healthcare Provider Relief Fund. Beginning July 1, 2013, all  
16 moneys received by the Department under this Act from the tax  
17 imposed on little cigars shall be distributed as provided in  
18 Section 2 of the Cigarette Tax Act.

19 (Source: P.A. 101-31, eff. 6-28-19.)

20 Section 99. Effective date. This Act takes effect January  
21 1, 2021.