



Sen. John J. Cullerton

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1 AMENDMENT TO HOUSE BILL 556

2 AMENDMENT NO. _____. Amend House Bill 556, AS AMENDED, by
3 replacing everything after the enacting clause with the
4 following:

5 "Section 5. The State Finance Act is amended by adding
6 Sections 5.675 and 6z-69 as follows:

7 (30 ILCS 105/5.675 new)

8 Sec. 5.675. The Healthcare Provider Relief Fund.

9 (30 ILCS 105/6z-69 new)

10 Sec. 6z-69. The Healthcare Provider Relief Fund. The
11 Healthcare Provider Relief Fund is created as a special fund in
12 the State treasury. Moneys in the Fund may be used, subject to
13 appropriation, by Department of Healthcare and Family Services
14 only for the purpose of making reimbursements to providers of
15 goods or services under the medical assistance program under

1 Article V of the Illinois Public Aid Code, the Children's
2 Health Insurance Program Act, the Covering All Kids Health
3 Insurance Act, and the pharmaceutical assistance program under
4 the Senior Citizens and Disabled Persons Property Tax Relief
5 and Pharmaceutical Assistance Act. The Department shall make
6 all such reimbursements from the Fund in the order that claims
7 for those reimbursements were received by the Department.

8 Any interest earnings that are attributable to moneys in
9 the Fund must be deposited into the Fund.

10 Section 10. The General Obligation Bond Act is amended by
11 changing Section 14 as follows:

12 (30 ILCS 330/14) (from Ch. 127, par. 664)

13 Sec. 14. Repayment.

14 (a) To provide for the manner of repayment of Bonds, the
15 Governor shall include an appropriation in each annual State
16 Budget of monies in such amount as shall be necessary and
17 sufficient, for the period covered by such budget, to pay the
18 interest, as it shall accrue, on all Bonds issued under this
19 Act, to pay and discharge the principal of such Bonds as shall,
20 by their terms, fall due during such period, and to pay a
21 premium, if any, on Bonds to be redeemed prior to the maturity
22 date. Amounts included in such appropriations for the payment
23 of interest on variable rate bonds shall be the maximum amounts
24 of interest that may be payable for the period covered by the

1 budget, after taking into account any credits permitted in the
2 related indenture or other instrument against the amount of
3 such interest required to be appropriated for such period.
4 Amounts included in such appropriations for the payment of
5 interest shall include the amounts certified by the Director of
6 the Governor's Office of Management and Budget under subsection
7 (b) of Section 9 of this Act.

8 (b) A separate fund in the State Treasury called the
9 "General Obligation Bond Retirement and Interest Fund" is
10 hereby created.

11 (c) The General Assembly shall annually make
12 appropriations to pay the principal of, interest on, and
13 premium, if any, on Bonds sold under this Act from the General
14 Obligation Bond Retirement and Interest Fund. Amounts included
15 in such appropriations for the payment of interest on variable
16 rate bonds shall be the maximum amounts of interest that may be
17 payable during the fiscal year, after taking into account any
18 credits permitted in the related indenture or other instrument
19 against the amount of such interest required to be appropriated
20 for such period. Amounts included in such appropriations for
21 the payment of interest shall include the amounts certified by
22 the Director of the Governor's Office of Management and Budget
23 under subsection (b) of Section 9 of this Act.

24 Beginning October 1, 2007, on the first day of each month,
25 or as soon thereafter as practical, the State Comptroller shall
26 direct and the State Treasurer shall transfer, from the General

1 Revenue Fund to the General Obligation Bond Retirement and
2 Interest Fund, all amounts that were paid into the General
3 Revenue Fund in the previous month under Section 2 of the
4 Cigarette Tax Act from the additional taxes imposed under the
5 Cigarette Tax Act and the Cigarette Use Tax Act by this
6 amendatory Act of the 95th General Assembly.

7 If for any reason there are insufficient funds in either
8 the General Revenue Fund or the Road Fund to make transfers to
9 the General Obligation Bond Retirement and Interest Fund as
10 required by Section 15 of this Act, or if for any reason the
11 General Assembly fails to make appropriations sufficient to pay
12 the principal of, interest on, and premium, if any, on the
13 Bonds, as the same by their terms shall become due, this Act
14 shall constitute an irrevocable and continuing appropriation
15 of all amounts necessary for that purpose, and the irrevocable
16 and continuing authority for and direction to the State
17 Treasurer and the Comptroller to make the necessary transfers,
18 as directed by the Governor, out of and disbursements from the
19 revenues and funds of the State.

20 (d) If, because of insufficient funds in either the General
21 Revenue Fund or the Road Fund, monies have been transferred to
22 the General Obligation Bond Retirement and Interest Fund, as
23 required by subsection (c) of this Section, this Act shall
24 constitute the irrevocable and continuing authority for and
25 direction to the State Treasurer and Comptroller to reimburse
26 these funds of the State from the General Revenue Fund or the

1 Road Fund, as appropriate, by transferring, at such times and
2 in such amounts, as directed by the Governor, an amount to
3 these funds equal to that transferred from them.

4 (Source: P.A. 93-9, eff. 6-3-03; 94-793, eff. 5-19-06.)

5 Section 15. The Cigarette Tax Act is amended by changing
6 Section 2 as follows:

7 (35 ILCS 130/2) (from Ch. 120, par. 453.2)

8 Sec. 2. Tax imposed; rate; collection, payment, and
9 distribution; discount.

10 (a) A tax is imposed upon any person engaged in business as
11 a retailer of cigarettes in this State at the rate of 5 1/2
12 mills per cigarette sold, or otherwise disposed of in the
13 course of such business in this State. In addition to any other
14 tax imposed by this Act, a tax is imposed upon any person
15 engaged in business as a retailer of cigarettes in this State
16 at a rate of 1/2 mill per cigarette sold or otherwise disposed
17 of in the course of such business in this State on and after
18 January 1, 1947, and shall be paid into the Metropolitan Fair
19 and Exposition Authority Reconstruction Fund or as otherwise
20 provided in Section 29. On and after December 1, 1985, in
21 addition to any other tax imposed by this Act, a tax is imposed
22 upon any person engaged in business as a retailer of cigarettes
23 in this State at a rate of 4 mills per cigarette sold or
24 otherwise disposed of in the course of such business in this

1 State. Of the additional tax imposed by this amendatory Act of
2 1985, \$9,000,000 of the moneys received by the Department of
3 Revenue pursuant to this Act shall be paid each month into the
4 Common School Fund. On and after the effective date of this
5 amendatory Act of 1989, in addition to any other tax imposed by
6 this Act, a tax is imposed upon any person engaged in business
7 as a retailer of cigarettes at the rate of 5 mills per
8 cigarette sold or otherwise disposed of in the course of such
9 business in this State. On and after the effective date of this
10 amendatory Act of 1993, in addition to any other tax imposed by
11 this Act, a tax is imposed upon any person engaged in business
12 as a retailer of cigarettes at the rate of 7 mills per
13 cigarette sold or otherwise disposed of in the course of such
14 business in this State. On and after December 15, 1997, in
15 addition to any other tax imposed by this Act, a tax is imposed
16 upon any person engaged in business as a retailer of cigarettes
17 at the rate of 7 mills per cigarette sold or otherwise disposed
18 of in the course of such business of this State. All of the
19 moneys received by the Department of Revenue pursuant to this
20 Act and the Cigarette Use Tax Act from the additional taxes
21 imposed by this amendatory Act of 1997, shall be paid each
22 month into the Common School Fund. On and after July 1, 2002,
23 in addition to any other tax imposed by this Act, a tax is
24 imposed upon any person engaged in business as a retailer of
25 cigarettes at the rate of 20.0 mills per cigarette sold or
26 otherwise disposed of in the course of such business in this

1 State. Beginning on September 1, 2007 in addition to any other
2 tax imposed by this Act, a tax is imposed upon any person
3 engaged in business as a retailer of cigarettes at the rate of
4 45 mills per cigarette sold or otherwise disposed of in the
5 course of such business in this State. Of the moneys received
6 by the Department of Revenue under this Act and the Cigarette
7 Use Tax Act from the additional taxes imposed by this
8 amendatory Act of the 95th General Assembly, 83% must be paid
9 each month into the General Revenue Fund and 17% must be paid
10 each month into the Healthcare Provider Relief Fund. The
11 payment of such taxes shall be evidenced by a stamp affixed to
12 each original package of cigarettes, or an authorized
13 substitute for such stamp imprinted on each original package of
14 such cigarettes underneath the sealed transparent outside
15 wrapper of such original package, as hereinafter provided.
16 However, such taxes are not imposed upon any activity in such
17 business in interstate commerce or otherwise, which activity
18 may not under the Constitution and statutes of the United
19 States be made the subject of taxation by this State.

20 Beginning on the effective date of this amendatory Act of
21 the 92nd General Assembly and through June 30, 2006, all of the
22 moneys received by the Department of Revenue pursuant to this
23 Act and the Cigarette Use Tax Act, other than the moneys that
24 are dedicated to the Common School Fund, shall be distributed
25 each month as follows: first, there shall be paid into the
26 General Revenue Fund an amount which, when added to the amount

1 paid into the Common School Fund for that month, equals
2 \$33,300,000, except that in the month of August of 2004, this
3 amount shall equal \$83,300,000; then, from the moneys
4 remaining, if any amounts required to be paid into the General
5 Revenue Fund in previous months remain unpaid, those amounts
6 shall be paid into the General Revenue Fund; then, beginning on
7 April 1, 2003, from the moneys remaining, \$5,000,000 per month
8 shall be paid into the School Infrastructure Fund; then, if any
9 amounts required to be paid into the School Infrastructure Fund
10 in previous months remain unpaid, those amounts shall be paid
11 into the School Infrastructure Fund; then the moneys remaining,
12 if any, shall be paid into the Long-Term Care Provider Fund. To
13 the extent that more than \$25,000,000 has been paid into the
14 General Revenue Fund and Common School Fund per month for the
15 period of July 1, 1993 through the effective date of this
16 amendatory Act of 1994 from combined receipts of the Cigarette
17 Tax Act and the Cigarette Use Tax Act, notwithstanding the
18 distribution provided in this Section, the Department of
19 Revenue is hereby directed to adjust the distribution provided
20 in this Section to increase the next monthly payments to the
21 Long Term Care Provider Fund by the amount paid to the General
22 Revenue Fund and Common School Fund in excess of \$25,000,000
23 per month and to decrease the next monthly payments to the
24 General Revenue Fund and Common School Fund by that same excess
25 amount.

26 Beginning on July 1, 2006, all of the moneys received by

1 the Department of Revenue pursuant to this Act and the
2 Cigarette Use Tax Act, other than the moneys that are dedicated
3 to the Common School Fund and, beginning on the effective date
4 of this amendatory Act of 2007, other than the moneys from the
5 additional taxes imposed by this amendatory Act of the 95th
6 General Assembly that must be paid each month into the General
7 Revenue Fund and the Healthcare Provider Relief Fund, shall be
8 distributed each month as follows: first, there shall
9 additionally be paid into the General Revenue Fund an amount
10 that, when added to the amount paid into the Common School Fund
11 for that month, equals \$29,200,000; then, from the moneys
12 remaining, if any amounts required to be paid into the General
13 Revenue Fund in previous months remain unpaid, those amounts
14 shall be paid into the General Revenue Fund; then from the
15 moneys remaining, \$5,000,000 per month shall be paid into the
16 School Infrastructure Fund; then, if any amounts required to be
17 paid into the School Infrastructure Fund in previous months
18 remain unpaid, those amounts shall be paid into the School
19 Infrastructure Fund; then the moneys remaining, if any, shall
20 be paid into the Long-Term Care Provider Fund.

21 When any tax imposed herein terminates or has terminated,
22 distributors who have bought stamps while such tax was in
23 effect and who therefore paid such tax, but who can show, to
24 the Department's satisfaction, that they sold the cigarettes to
25 which they affixed such stamps after such tax had terminated
26 and did not recover the tax or its equivalent from purchasers,

1 shall be allowed by the Department to take credit for such
2 absorbed tax against subsequent tax stamp purchases from the
3 Department by such distributor.

4 The impact of the tax levied by this Act is imposed upon
5 the retailer and shall be prepaid or pre-collected by the
6 distributor for the purpose of convenience and facility only,
7 and the amount of the tax shall be added to the price of the
8 cigarettes sold by such distributor. Collection of the tax
9 shall be evidenced by a stamp or stamps affixed to each
10 original package of cigarettes, as hereinafter provided.

11 Each distributor shall collect the tax from the retailer at
12 or before the time of the sale, shall affix the stamps as
13 hereinafter required, and shall remit the tax collected from
14 retailers to the Department, as hereinafter provided. Any
15 distributor who fails to properly collect and pay the tax
16 imposed by this Act shall be liable for the tax. Any
17 distributor having cigarettes to which stamps have been affixed
18 in his possession for sale on the effective date of this
19 amendatory Act of 1989 shall not be required to pay the
20 additional tax imposed by this amendatory Act of 1989 on such
21 stamped cigarettes. Any distributor having cigarettes to which
22 stamps have been affixed in his or her possession for sale at
23 12:01 a.m. on the effective date of this amendatory Act of
24 1993, is required to pay the additional tax imposed by this
25 amendatory Act of 1993 on such stamped cigarettes. This
26 payment, less the discount provided in subsection (b), shall be

1 due when the distributor first makes a purchase of cigarette
2 tax stamps after the effective date of this amendatory Act of
3 1993, or on the first due date of a return under this Act after
4 the effective date of this amendatory Act of 1993, whichever
5 occurs first. Any distributor having cigarettes to which stamps
6 have been affixed in his possession for sale on December 15,
7 1997 shall not be required to pay the additional tax imposed by
8 this amendatory Act of 1997 on such stamped cigarettes.

9 Any distributor having cigarettes to which stamps have been
10 affixed in his or her possession for sale on July 1, 2002 shall
11 not be required to pay the additional tax imposed by this
12 amendatory Act of the 92nd General Assembly on those stamped
13 cigarettes. Any distributor having cigarettes to which stamps
14 have been affixed in his or her possession for sale on or after
15 September 1, 2007 is required to pay the additional tax imposed
16 by this amendatory Act of the 95th General Assembly on those
17 stamped cigarettes. This payment, less the discount provided in
18 subsection (b), is due when the distributor first makes a
19 purchase of cigarette tax stamps on or after the effective date
20 of this amendatory Act of the 95th General Assembly or on the
21 first due date of a return under this Act occurring on or after
22 the effective date of this amendatory Act of the 95th General
23 Assembly, whichever occurs first.

24 The amount of the Cigarette Tax imposed by this Act shall
25 be separately stated, apart from the price of the goods, by
26 both distributors and retailers, in all advertisements, bills

1 and sales invoices.

2 (b) The distributor shall be required to collect the taxes
3 provided under paragraph (a) hereof, and, to cover the costs of
4 such collection, shall be allowed a discount during any year
5 commencing July 1st and ending the following June 30th in
6 accordance with the schedule set out hereinbelow, which
7 discount shall be allowed at the time of purchase of the stamps
8 when purchase is required by this Act, or at the time when the
9 tax is remitted to the Department without the purchase of
10 stamps from the Department when that method of paying the tax
11 is required or authorized by this Act. Prior to December 1,
12 1985, a discount equal to $1\frac{2}{3}\%$ of the amount of the tax up to
13 and including the first \$700,000 paid hereunder by such
14 distributor to the Department during any such year; $1\frac{1}{3}\%$ of
15 the next \$700,000 of tax or any part thereof, paid hereunder by
16 such distributor to the Department during any such year; 1% of
17 the next \$700,000 of tax, or any part thereof, paid hereunder
18 by such distributor to the Department during any such year, and
19 $\frac{2}{3}$ of 1% of the amount of any additional tax paid hereunder by
20 such distributor to the Department during any such year shall
21 apply. On and after December 1, 1985, a discount equal to 1.75%
22 of the amount of the tax payable under this Act up to and
23 including the first \$3,000,000 paid hereunder by such
24 distributor to the Department during any such year and 1.5% of
25 the amount of any additional tax paid hereunder by such
26 distributor to the Department during any such year shall apply.

1 Two or more distributors that use a common means of
2 affixing revenue tax stamps or that are owned or controlled by
3 the same interests shall be treated as a single distributor for
4 the purpose of computing the discount.

5 (c) The taxes herein imposed are in addition to all other
6 occupation or privilege taxes imposed by the State of Illinois,
7 or by any political subdivision thereof, or by any municipal
8 corporation.

9 (Source: P.A. 93-839, eff. 7-30-04; 94-91, eff. 7-1-05; 94-839,
10 eff. 6-6-06.)

11 Section 20. The Cigarette Use Tax Act is amended by
12 changing Section 2 as follows:

13 (35 ILCS 135/2) (from Ch. 120, par. 453.32)

14 Sec. 2. A tax is imposed upon the privilege of using
15 cigarettes in this State, at the rate of 6 mills per cigarette
16 so used. On and after December 1, 1985, in addition to any
17 other tax imposed by this Act, a tax is imposed upon the
18 privilege of using cigarettes in this State at a rate of 4
19 mills per cigarette so used. On and after the effective date of
20 this amendatory Act of 1989, in addition to any other tax
21 imposed by this Act, a tax is imposed upon the privilege of
22 using cigarettes in this State at the rate of 5 mills per
23 cigarette so used. On and after the effective date of this
24 amendatory Act of 1993, in addition to any other tax imposed by

1 this Act, a tax is imposed upon the privilege of using
2 cigarettes in this State at a rate of 7 mills per cigarette so
3 used. On and after December 15, 1997, in addition to any other
4 tax imposed by this Act, a tax is imposed upon the privilege of
5 using cigarettes in this State at a rate of 7 mills per
6 cigarette so used. On and after July 1, 2002, in addition to
7 any other tax imposed by this Act, a tax is imposed upon the
8 privilege of using cigarettes in this State at a rate of 20.0
9 mills per cigarette so used. Beginning on September 1, 2007, in
10 addition to any other tax imposed by this Act, a tax is imposed
11 upon the privilege of using cigarettes in this State at a rate
12 of 45 mills per cigarette so used. The taxes herein imposed
13 shall be in addition to all other occupation or privilege taxes
14 imposed by the State of Illinois or by any political
15 subdivision thereof or by any municipal corporation.

16 When any tax imposed herein terminates or has terminated,
17 distributors who have bought stamps while such tax was in
18 effect and who therefore paid such tax, but who can show, to
19 the Department's satisfaction, that they sold the cigarettes to
20 which they affixed such stamps after such tax had terminated
21 and did not recover the tax or its equivalent from purchasers,
22 shall be allowed by the Department to take credit for such
23 absorbed tax against subsequent tax stamp purchases from the
24 Department by such distributors.

25 When the word "tax" is used in this Act, it shall include
26 any tax or tax rate imposed by this Act and shall mean the

1 singular of "tax" or the plural "taxes" as the context may
2 require.

3 Any distributor having cigarettes to which stamps have been
4 affixed in his possession for sale on the effective date of
5 this amendatory Act of 1989 shall not be required to pay the
6 additional tax imposed by this amendatory Act of 1989 on such
7 stamped cigarettes. Any distributor having cigarettes to which
8 stamps have been affixed in his or her possession for sale at
9 12:01 a.m. on the effective date of this amendatory Act of
10 1993, is required to pay the additional tax imposed by this
11 amendatory Act of 1993 on such stamped cigarettes. This payment
12 shall be due when the distributor first makes a purchase of
13 cigarette tax stamps after the effective date of this
14 amendatory Act of 1993, or on the first due date of a return
15 under this Act after the effective date of this amendatory Act
16 of 1993, whichever occurs first. Once a distributor tenders
17 payment of the additional tax to the Department, the
18 distributor may purchase stamps from the Department. Any
19 distributor having cigarettes to which stamps have been affixed
20 in his possession for sale on December 15, 1997 shall not be
21 required to pay the additional tax imposed by this amendatory
22 Act of 1997 on such stamped cigarettes.

23 Any distributor having cigarettes to which stamps have been
24 affixed in his or her possession for sale on July 1, 2002 shall
25 not be required to pay the additional tax imposed by this
26 amendatory Act of the 92nd General Assembly on those stamped

1 cigarettes. Any distributor having cigarettes to which stamps
2 have been affixed in his or her possession for sale on or after
3 September 1, 2007 is required to pay the additional tax imposed
4 by this amendatory Act of the 95th General Assembly on those
5 stamped cigarettes. This payment is due when the distributor
6 first makes a purchase of cigarette tax stamps on or after the
7 effective date of this amendatory Act of the 95th General
8 Assembly or on the first due date of a return under this Act
9 occurring on or after the effective date of this amendatory Act
10 of the 95th General Assembly, whichever occurs first.

11 (Source: P.A. 92-536, eff. 6-6-02.)

12 Section 25. The Counties Code is amended by adding Section
13 5-1008.7 as follows:

14 (55 ILCS 5/5-1008.7 new)

15 Sec. 5-1008.7. County cigarette tax.

16 (a) The definitions as used in the Cigarette Tax Act (35
17 ILCS 130/) are hereby expressly adopted as if fully set forth
18 in this Section and apply to all provisions of this Section.

19 (b) The county board of any county may, by ordinance or
20 resolution, impose a county cigarette tax upon any person
21 engaged in business as a retailer of cigarettes in a county
22 located in this State. If imposed, the tax may not exceed the
23 rate of 100 mills per cigarette sold or otherwise disposed of
24 in the course of such business in this State. The tax shall be

1 administered by the county imposing that tax. The payment of
2 the taxes must be evidenced by a stamp affixed to each original
3 package of cigarettes, or an authorized substitute for such a
4 stamp, imprinted on each original package of the cigarettes
5 underneath the sealed transparent outside wrapper or on the
6 exterior of the outside wrapper of the original package.

7 The tax under this Section, however, is not imposed upon
8 any activity in any business in interstate commerce or
9 otherwise that may not, under the Constitution and statutes of
10 the United States, be made the subject of taxation by this
11 State.

12 The impact of the tax levied by this Act is imposed upon
13 the retailer and must be prepaid or precollected by the
14 distributor for the purpose of convenience and facility only,
15 and the amount of the tax must be added to the price of the
16 cigarettes sold by the distributor. The collection of the tax
17 must be evidenced by a stamp or stamps affixed to each original
18 package of cigarettes.

19 Each distributor must collect the tax from the retailer at
20 or before the time of the sale, must affix the stamps, and must
21 remit, to the county, the tax collected from the retailer. Any
22 distributor who fails to properly collect and pay the tax
23 imposed by this Section is liable for the tax.

24 The amount of the tax imposed under this Section must be
25 separately stated, apart from the price of the goods, by both
26 distributors and retailers, in all advertisements, bills, and

1 sales invoices.

2 (c) The taxes imposed under this Section are in addition to
3 all other occupation or privilege taxes imposed by the State of
4 Illinois, or by any political subdivision thereof, or by any
5 municipal corporation.

6 (d) Any proceeds collected from the tax imposed under this
7 Section may be used by the county only for the purpose of
8 public health and safety.

9 (e) An ordinance or resolution imposing or discontinuing
10 the tax under this Section or changing the rate of the tax must
11 be adopted by the county board and a certified copy of the
12 ordinance or resolution be filed with the county clerk on or
13 before the first day of the month following the adoption of the
14 ordinance or resolution, whereupon the county shall proceed to
15 administer and enforce this Section no sooner than 60 days
16 after the adoption and filing.

17 (f) All of the provisions of the Cigarette Tax Act (35 ILCS
18 130/) that are not inconsistent with this Section apply, as far
19 as practical, to the subject matter of this Section to the same
20 extent as if the provisions were included in this Section."

21 Section 99. Effective date. This Act takes effect upon
22 becoming law."