



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB4250

Introduced 1/14/2026, by Rep. Maurice A. West, II

SYNOPSIS AS INTRODUCED:

35 ILCS 143/10-5
35 ILCS 143/10-10
35 ILCS 143/10-24 new
35 ILCS 143/10-25
35 ILCS 143/10-37
35 ILCS 143/10-38
35 ILCS 143/10-45
35 ILCS 143/10-50

Amends the Tobacco Products Tax Act of 1995. Provides that, beginning on July 1, 2026, it shall be unlawful for any person to engage in business as a remote retail seller without first having obtained a license to do so from the Department of Revenue. Provides that, beginning on July 1, 2026, any person engaged in business as a remote retail seller of tobacco products shall be taxed at the rate of 45% of the wholesale price of tobacco products sold or otherwise disposed of to retailers or consumers located in the State. Defines "remote retail seller" as a person located inside or outside of the State who makes remote retail sales. Makes conforming changes. Effective July 1, 2026.

LRB104 16477 SPS 29872 b

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 Sections 10-5, 10-10, 10-25, 10-30, 10-35, 10-37,
6 10-38, 10-45, and 10-50 and by adding Section 10-24 as
7 follows:

8 (35 ILCS 143/10-5)

9 Sec. 10-5. Definitions. For purposes of this Act:

10 "Business" means any trade, occupation, activity, or
11 enterprise engaged in, at any location whatsoever, for the
12 purpose of selling tobacco products.

13 "Cigarette" has the meaning ascribed to the term in
14 Section 1 of the Cigarette Tax Act.

15 "Contraband little cigar" means:

16 (1) packages of little cigars containing 20 or 25
17 little cigars that do not bear a required tax stamp under
18 this Act;

19 (2) packages of little cigars containing 20 or 25
20 little cigars that bear a fraudulent, imitation, or
21 counterfeit tax stamp;

22 (3) packages of little cigars containing 20 or 25
23 little cigars that are improperly tax stamped, including

1 packages of little cigars that bear only a tax stamp of
2 another state or taxing jurisdiction; or

3 (4) packages of little cigars containing other than 20
4 or 25 little cigars in the possession of a distributor,
5 retailer or wholesaler, unless the distributor, retailer,
6 or wholesaler possesses, or produces within the time frame
7 provided in Section 10-27 or 10-28 of this Act, an invoice
8 from a stamping distributor, distributor, or wholesaler
9 showing that the tax on the packages has been or will be
10 paid.

11 "Correctional Industries program" means a program run by a
12 State penal institution in which residents of the penal
13 institution produce tobacco products for sale to persons
14 incarcerated in penal institutions or resident patients of a
15 State operated mental health facility.

16 "Department" means the Illinois Department of Revenue.

17 "Distributor" means any of the following:

18 (1) Any manufacturer or wholesaler in this State
19 engaged in the business of selling tobacco products who
20 sells, exchanges, or distributes tobacco products to
21 retailers or consumers in this State.

22 (2) Any manufacturer or wholesaler engaged in the
23 business of selling tobacco products from without this
24 State who sells, exchanges, distributes, ships, or
25 transports tobacco products to retailers or consumers
26 located in this State, so long as that manufacturer or

1 wholesaler has or maintains within this State, directly or
2 by subsidiary, an office, sales house, or other place of
3 business, or any agent or other representative operating
4 within this State under the authority of the person or
5 subsidiary, irrespective of whether the place of business
6 or agent or other representative is located here
7 permanently or temporarily.

8 (3) Any retailer who receives tobacco products on
9 which the tax has not been or will not be paid by another
10 distributor.

11 "Distributor" does not include any person, wherever
12 resident or located, who makes, manufactures, or fabricates
13 tobacco products as part of a Correctional Industries program
14 for sale to residents incarcerated in penal institutions or
15 resident patients of a State operated mental health facility.

16 "Electronic cigarette" means:

17 (1) any device that employs a battery or other
18 mechanism to heat a solution or substance to produce a
19 vapor or aerosol intended for inhalation, except for (A)
20 any device designed solely for use with cannabis that
21 contains a statement on the retail packaging that the
22 device is designed solely for use with cannabis and not
23 for use with tobacco or (B) any device that contains a
24 solution or substance that contains cannabis subject to
25 tax under the Compassionate Use of Medical Cannabis
26 Program Act or the Cannabis Regulation and Tax Act;

1 (2) any cartridge or container of a solution or
2 substance intended to be used with or in the device or to
3 refill the device, except for any cartridge or container
4 of a solution or substance that contains cannabis subject
5 to tax under the Compassionate Use of Medical Cannabis
6 Program Act or the Cannabis Regulation and Tax Act; or

7 (3) any solution or substance, whether or not it
8 contains nicotine, intended for use in the device, except
9 for any solution or substance that contains cannabis
10 subject to tax under the Compassionate Use of Medical
11 Cannabis Program Act or the Cannabis Regulation and Tax
12 Act.

13 The changes made to the definition of "electronic
14 cigarette" by this amendatory Act of the 102nd General
15 Assembly apply on and after June 28, 2019, but no claim for
16 credit or refund is allowed on or after the effective date of
17 this amendatory Act of the 102nd General Assembly for such
18 taxes paid during the period beginning June 28, 2019 and the
19 effective date of this amendatory Act of the 102nd General
20 Assembly.

21 "Electronic cigarette" includes, but is not limited to,
22 any electronic nicotine delivery system, electronic cigar,
23 electronic cigarillo, electronic pipe, electronic hookah, vape
24 pen, or similar product or device, and any component or part
25 that can be used to build the product or device. "Electronic
26 cigarette" does not include: cigarettes, as defined in Section

1 of the Cigarette Tax Act; any product approved by the United
2 States Food and Drug Administration for sale as a tobacco
3 cessation product, a tobacco dependence product, or for other
4 medical purposes that is marketed and sold solely for that
5 approved purpose; any asthma inhaler prescribed by a physician
6 for that condition that is marketed and sold solely for that
7 approved purpose; or any therapeutic product approved for use
8 under the Compassionate Use of Medical Cannabis Program Act.

9 "Little cigar" means and includes any roll, made wholly or
10 in part of tobacco, where such roll has an integrated
11 cellulose acetate filter and weighs less than 4 pounds per
12 thousand and the wrapper or cover of which is made in whole or
13 in part of tobacco.

14 "Manufacturer" means any person, wherever resident or
15 located, who manufactures and sells tobacco products, except a
16 person who makes, manufactures, or fabricates tobacco products
17 as a part of a Correctional Industries program for sale to
18 persons incarcerated in penal institutions or resident
19 patients of a State operated mental health facility.

20 Beginning on January 1, 2013, "moist snuff" means any
21 finely cut, ground, or powdered tobacco that is not intended
22 to be smoked, but shall not include any finely cut, ground, or
23 powdered tobacco that is intended to be placed in the nasal
24 cavity.

25 "Nicotine" means any form of the chemical nicotine,
26 including any salt or complex, regardless of whether the

1 chemical is naturally or synthetically derived, and includes
2 nicotinic alkaloids and nicotine analogs.

3 "Person" means any natural individual, firm, partnership,
4 association, joint stock company, joint venture, limited
5 liability company, or public or private corporation, however
6 formed, or a receiver, executor, administrator, trustee,
7 conservator, or other representative appointed by order of any
8 court.

9 "Place of business" means and includes any place where
10 tobacco products are sold or where tobacco products are
11 manufactured, stored, or kept for the purpose of sale or
12 consumption, including any vessel, vehicle, airplane, train,
13 or vending machine.

14 "Prior continuous compliance taxpayer" means any person
15 who is licensed under this Act and who, having been a licensee
16 for a continuous period of 2 years, is determined by the
17 Department not to have been either delinquent or deficient in
18 the payment of tax liability during that period or otherwise
19 in violation of this Act. "Prior continuous compliance
20 taxpayer" also means any taxpayer who has, as verified by the
21 Department, continuously complied with the condition of his
22 bond or other security under provisions of this Act for a
23 period of 2 consecutive years. In calculating the consecutive
24 period of time described in this definition for qualification
25 as a prior continuous compliance taxpayer, a consecutive
26 period of time of qualifying compliance immediately prior to

1 the effective date of this amendatory Act of the 103rd General
2 Assembly shall be credited to any licensee who became licensed
3 on or before the effective date of this amendatory Act of the
4 103rd General Assembly. A distributor that is a prior
5 continuous compliance taxpayer and becomes a successor to a
6 distributor as the result of an acquisition, merger, or
7 consolidation of that distributor shall be deemed to be a
8 prior continuous compliance taxpayer with respect to the
9 acquired, merged, or consolidated entity.

10 "Remote retail sale" means any sale of tobacco products to
11 a consumer that satisfies any of the following:

12 (1) The consumer submits the order for the sale by
13 telephone, a method of voice transmission, mail, or the
14 Internet or other online service, or the seller is
15 otherwise not in the physical presence of the consumer
16 when the order or request for purchase is made.

17 (2) The tobacco product is delivered to the consumer
18 by common carrier, private delivery service, or other
19 method of remote delivery, or the seller is not in the
20 physical presence of the consumer when the consumer
21 obtains possession of the tobacco product.

22 "Remote retail seller" means a person located inside or
23 outside of this State who makes remote retail sales.

24 "Retailer" means any person in this State engaged in the
25 business of selling tobacco products to consumers in this
26 State, regardless of quantity or number of sales.

1 "Sale" means any transfer, exchange, or barter in any
2 manner or by any means whatsoever for a consideration and
3 includes all sales made by persons.

4 "Stamp" or "stamps" mean the indicia required to be
5 affixed on a package of little cigars that evidence payment of
6 the tax on packages of little cigars containing 20 or 25 little
7 cigars under Section 10-10 of this Act. These stamps shall be
8 the same stamps used for cigarettes under the Cigarette Tax
9 Act.

10 "Stamping distributor" means a distributor licensed under
11 this Act and also licensed as a distributor under the
12 Cigarette Tax Act or Cigarette Use Tax Act.

13 "Tobacco products" means any product that is made from or
14 derived from tobacco that is intended for human consumption or
15 is likely to be consumed, including but not limited to cigars,
16 including little cigars; cheroots; stogies; periques;
17 granulated, plug cut, crimp cut, ready rubbed, and other
18 smoking tobacco; snuff (including moist snuff) and snuff
19 flour; cavendish; plug and twist tobacco; fine-cut and other
20 chewing tobaccos; shorts; refuse scraps, clippings, cuttings,
21 and sweeping of tobacco; snus; shisha and tobacco for use in
22 waterpipes; and other kinds and forms of tobacco, prepared in
23 such manner as to be suitable for chewing or smoking in a pipe
24 or otherwise, or both for chewing and smoking or for
25 inhalation, absorption, or ingesting by any other means; but
26 does not include cigarettes as defined in Section 1 of the

1 Cigarette Tax Act or tobacco purchased for the manufacture of
2 cigarettes by cigarette distributors and manufacturers defined
3 in the Cigarette Tax Act and persons who make, manufacture, or
4 fabricate cigarettes as a part of a Correctional Industries
5 program for sale to residents incarcerated in penal
6 institutions or resident patients of a State operated mental
7 health facility.

8 Beginning on July 1, 2019, "tobacco products" also
9 includes electronic cigarettes.

10 Beginning July 1, 2025, "tobacco products" also includes
11 any product that is made from or derived from tobacco, or that
12 contains nicotine whether natural or synthetic, that is
13 intended for human consumption or is likely to be consumed,
14 including but not limited to nicotine pouches, lozenges, and
15 gum; and other kinds and forms of nicotine prepared in such
16 manner as to be suitable for chewing or smoking in a pipe or
17 otherwise, or both for chewing and smoking or for inhalation,
18 absorption, or ingesting by any other means.

19 "Tobacco products" does not include any product that has
20 been approved by the United States Food and Drug
21 Administration for sale as a tobacco or smoking cessation
22 product, a nicotine replacement therapy product, or for other
23 medical purposes where that product is marketed and sold
24 solely for such approved use, including but not limited to
25 spray or inhaler prescribed by a physician, chewing gum, skin
26 patches, or lozenges.

1 "Wholesale price" means the established list price for
2 which a manufacturer sells tobacco products to a distributor,
3 before the allowance of any discount, trade allowance, rebate,
4 or other reduction. In the absence of such an established list
5 price, the manufacturer's invoice price at which the
6 manufacturer sells the tobacco product to unaffiliated
7 distributors, before any discounts, trade allowances, rebates,
8 or other reductions, shall be presumed to be the wholesale
9 price.

10 "Wholesaler" means any person, wherever resident or
11 located, engaged in the business of selling tobacco products
12 to others for the purpose of resale. "Wholesaler", when used
13 in this Act, does not include a person licensed as a
14 distributor under Section 10-20 of this Act unless expressly
15 stated in this Act.

16 (Source: P.A. 103-1001, eff. 8-9-24; 104-6, eff. 7-1-25.)

17 (35 ILCS 143/10-10)

18 Sec. 10-10. Tax imposed.

19 (a) Except as otherwise provided in this Section with
20 respect to little cigars, on the first day of the third month
21 after the month in which this Act becomes law, a tax is imposed
22 on any person engaged in business as a distributor of tobacco
23 products, as defined in Section 10-5, and, beginning on July
24 1, 2026, any person engaged in business as a remote retail
25 seller of tobacco products, as defined in Section 10-5, at the

1 rate of (i) 18% of the wholesale price of tobacco products sold
2 or otherwise disposed of to retailers or consumers located in
3 this State prior to July 1, 2012; (ii) 36% of the wholesale
4 price of tobacco products sold or otherwise disposed of to
5 retailers or consumers located in this State beginning on July
6 1, 2012 and through June 30, 2025; except that, beginning on
7 January 1, 2013 and through June 30, 2025, the tax on moist
8 snuff shall be imposed at a rate of \$0.30 per ounce, and a
9 proportionate tax at the like rate on all fractional parts of
10 an ounce, sold or otherwise disposed of to retailers or
11 consumers located in this State; and except that, beginning
12 July 1, 2019 and through June 30, 2025, the tax on electronic
13 cigarettes shall be imposed at the rate of 15% of the wholesale
14 price of electronic cigarettes sold or otherwise disposed of
15 to retailers or consumers located in this State; and (iii) 45%
16 of the wholesale price of tobacco products, including moist
17 snuff and electronic cigarettes, sold or otherwise disposed of
18 to retailers or consumers located in this State on and after
19 July 1, 2025; and except that, beginning on July 1, 2026, the
20 tax on tobacco products, including moist snuff and electronic
21 cigarettes, sold or otherwise disposed of to retailers or
22 consumers located in this State by a remote retail seller
23 shall be imposed at the rate of 45% of the wholesale price. The
24 tax is in addition to all other occupation or privilege taxes
25 imposed by the State of Illinois, by any political subdivision
26 thereof, or by any municipal corporation. However, the tax is

1 not imposed upon any activity in that business in interstate
2 commerce or otherwise, to the extent to which that activity
3 may not, under the Constitution and Statutes of the United
4 States, be made the subject of taxation by this State, and
5 except that, beginning July 1, 2013, the tax on little cigars
6 shall be imposed at the same rate, and the proceeds shall be
7 distributed in the same manner, as the tax imposed on
8 cigarettes under the Cigarette Tax Act. The tax is also not
9 imposed on sales made to the United States or any entity
10 thereof.

11 (b) Notwithstanding subsection (a) of this Section,
12 stamping distributors of packages of little cigars containing
13 20 or 25 little cigars sold or otherwise disposed of in this
14 State shall remit the tax by purchasing tax stamps from the
15 Department and affixing them to packages of little cigars in
16 the same manner as stamps are purchased and affixed to
17 cigarettes under the Cigarette Tax Act, unless the stamping
18 distributor sells or otherwise disposes of those packages of
19 little cigars to another stamping distributor. Only persons
20 meeting the definition of "stamping distributor" contained in
21 Section 10-5 of this Act may affix stamps to packages of little
22 cigars containing 20 or 25 little cigars. Stamping
23 distributors may not sell or dispose of little cigars at
24 retail to consumers or users at locations where stamping
25 distributors affix stamps to packages of little cigars
26 containing 20 or 25 little cigars.

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

15 Stamping distributors paying the tax to the Department on
16 packages of little cigars containing 20 or 25 little cigars
17 sold to other distributors, wholesalers or retailers shall add
18 the amount of the tax to the price of the packages of little
19 cigars containing 20 or 25 little cigars sold by such stamping
20 distributors.

21 (d) Beginning on January 1, 2013, the tax rate imposed per
22 ounce of moist snuff may not exceed 15% of the tax imposed upon
23 a package of 20 cigarettes pursuant to the Cigarette Tax Act.

24 (e) All moneys received by the Department under this Act
25 from sales occurring prior to July 1, 2012 shall be paid into
26 the Long-Term Care Provider Fund of the State Treasury. Of the

1 moneys received by the Department from sales occurring on or
2 after July 1, 2012, except for moneys received from the tax
3 imposed on the sale of little cigars, 50% shall be paid into
4 the Long-Term Care Provider Fund and 50% shall be paid into the
5 Healthcare Provider Relief Fund. Beginning July 1, 2013, all
6 moneys received by the Department under this Act from the tax
7 imposed on little cigars shall be distributed as provided in
8 Section 2 of the Cigarette Tax Act. Of the moneys received by
9 the Department under this Act from sales occurring on or after
10 July 1, 2025, except for moneys received from the tax imposed
11 on the sale of little cigars, the first \$5,000,000 collected
12 in each fiscal year shall be paid into the Tobacco Settlement
13 Recovery Fund for tobacco health initiatives at the Department
14 of Public Health, and the remainder of the moneys collected in
15 each fiscal year shall be paid as follows: 50% shall be paid
16 into the Long-Term Care Provider Fund; and 50% shall be paid
17 into the Healthcare Provider Relief Fund.

18 (Source: P.A. 104-6, eff. 7-1-25.)

19 (35 ILCS 143/10-24 new)

20 Sec. 10-24. Remote retail seller's license. Beginning on
21 July 1, 2026, it shall be unlawful for any person to engage in
22 business as a remote retail seller within the meaning of this
23 Act without first having obtained a license to do so from the
24 Department. Application for that license shall be made to the
25 Department, by electronic means, in a form prescribed by the

1 Department. The Department shall adopt rules to implement this
2 Section.

3 (35 ILCS 143/10-25)

4 Sec. 10-25. License actions.

5 (a) The Department may, after notice and a hearing,
6 revoke, cancel, or suspend the license of any distributor, ~~or~~
7 retailer, or remote retail seller who violates any of the
8 provisions of this Act, fails to keep books and records as
9 required under this Act, fails to make books and records
10 available for inspection upon demand by a duly authorized
11 employee of the Department, or violates a rule or regulation
12 of the Department for the administration and enforcement of
13 this Act. The notice shall specify the alleged violation or
14 violations upon which the revocation, cancellation, or
15 suspension proceeding is based.

16 (b) The Department may revoke, cancel, or suspend the
17 license of any distributor for a violation of the Tobacco
18 Products Manufacturers' Escrow Enforcement Act of 2003 as
19 provided in Section 30 of that Act.

20 (c) If the retailer has a training program that
21 facilitates compliance with minimum-age tobacco laws, the
22 Department shall suspend for 3 days the license of that
23 retailer for a fourth or subsequent violation of the
24 Prevention of Tobacco Use by Persons under 21 Years of Age and
25 Sale and Distribution of Tobacco Products Act, as provided in

1 subsection (a) of Section 2 of that Act. For the purposes of
2 this Section, any violation of subsection (a) of Section 2 of
3 the Prevention of Tobacco Use by Persons under 21 Years of Age
4 and Sale and Distribution of Tobacco Products Act occurring at
5 the retailer's licensed location, during a 24-month period,
6 shall be counted as a violation against the retailer.

7 If the retailer does not have a training program that
8 facilitates compliance with minimum-age tobacco laws, the
9 Department shall suspend for 3 days the license of that
10 retailer for a second violation of the Prevention of Tobacco
11 Use by Persons under 21 Years of Age and Sale and Distribution
12 of Tobacco Products Act, as provided in subsection (a-5) of
13 Section 2 of that Act.

14 If the retailer does not have a training program that
15 facilitates compliance with minimum-age tobacco laws, the
16 Department shall suspend for 7 days the license of that
17 retailer for a third violation of the Prevention of Tobacco
18 Use by Persons under 21 Years of Age and Sale and Distribution
19 of Tobacco Products Act, as provided in subsection (a-5) of
20 Section 2 of that Act.

21 If the retailer does not have a training program that
22 facilitates compliance with minimum-age tobacco laws, the
23 Department shall suspend for 30 days the license of a retailer
24 for a fourth or subsequent violation of the Prevention of
25 Tobacco Use by Persons under 21 Years of Age and Sale and
26 Distribution of Tobacco Products Act, as provided in

1 subsection (a-5) of Section 2 of that Act.

2 A training program that facilitates compliance with
3 minimum-age tobacco laws must include at least the following
4 elements: (i) it must explain that only individuals displaying
5 valid identification demonstrating that they are 21 years of
6 age or older shall be eligible to purchase cigarettes or
7 tobacco products and (ii) it must explain where a clerk can
8 check identification for a date of birth. The training may be
9 conducted electronically. Each retailer that has a training
10 program shall require each employee who completes the training
11 program to sign a form attesting that the employee has
12 received and completed tobacco training. The form shall be
13 kept in the employee's file and may be used to provide proof of
14 training.

15 (d) The Department may, by application to any circuit
16 court, obtain an injunction restraining any person who engages
17 in business as a distributor of or remote retail seller
18 tobacco products without a license (either because the ~~his or~~
19 ~~her~~ license has been revoked, canceled, or suspended or
20 because of a failure to obtain a license in the first instance)
21 from engaging in that business until that person, as if that
22 person were a new applicant for a license, complies with all of
23 the conditions, restrictions, and requirements of Section
24 10-20 or Section 10-24 of this Act and qualifies for and
25 obtains a license. Refusal or neglect to obey the order of the
26 court may result in punishment for contempt.

1 (Source: P.A. 104-6, eff. 6-16-25.)

2 (35 ILCS 143/10-37)

3 Sec. 10-37. Proof of payment of tax imposed by this Act.
4 Every licensed distributor of tobacco products in this State
5 is required to show proof of the tax having been paid as
6 required by this Act by displaying its Tobacco Products
7 License number on every sales invoice issued to a retailer in
8 this State. No retailer shall possess tobacco products without
9 either a proper invoice indicating that the tobacco products
10 tax was paid by a distributor for the tobacco products in the
11 retailer's possession or other proof that the tax was paid by
12 the retailer if it has purchased tobacco products on which tax
13 has not been paid as required by this Act. Failure to comply
14 with the provisions of this paragraph may be grounds for
15 revocation of a distributor's, remote retail seller's, or
16 retailer's license in accordance with Section 10-25 of this
17 Act or Section 6 of the Cigarette Tax Act. In addition, the
18 Department may impose a civil penalty not to exceed \$1,000 for
19 the first violation and \$3,000 for each subsequent violation,
20 which shall be deposited into the Tax Compliance and
21 Administration Fund.

22 (Source: P.A. 100-940, eff. 8-17-18.)

23 (35 ILCS 143/10-38)

24 Sec. 10-38. Presumption for unlicensed distributors,

1 remote retail sellers, or persons. Whenever any person obtains
2 tobacco products from an unlicensed in-state or out-of-state
3 distributor, remote retail seller, or person, a prima facie
4 presumption shall arise that the tax imposed by this Act on
5 such tobacco products has not been paid in violation of this
6 Act. Invoices or other documents kept in the normal course of
7 business in the possession of a person reflecting purchases of
8 tobacco products from an unlicensed in-state or out-of-state
9 distributor, remote retail seller, or person or invoices or
10 other documents kept in the normal course of business obtained
11 by the Department from in-state or out-of-state distributors, remote retail sellers,
12 remote retail sellers, or persons, are sufficient to raise the
13 presumption that the tax imposed by this Act has not been paid.
14 If a presumption is raised, the Department may assess tax,
15 penalty, and interest on the tobacco products. In addition,
16 any person who violates this Section is liable to pay to the
17 Department, for deposit in the Tax Compliance and
18 Administration Fund, a penalty of \$1,000 for the first
19 violation and \$3,000 for any subsequent violation. The
20 Department may adopt rules to administer the penalties under
21 this Section.

22 (Source: P.A. 100-940, eff. 8-17-18.)

23 (35 ILCS 143/10-45)

24 Sec. 10-45. Incorporation by reference. All of the
25 provisions of Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h,

1 5i, 5j, 6, 6a, 6b, 6c, 8, 9, 10, 11, 11a, and 12 of the
2 Retailers' Occupation Tax Act, and all applicable provisions
3 of the Uniform Penalty and Interest Act that are not
4 inconsistent with this Act, apply to distributors and remote
5 retail sellers of tobacco products to the same extent as if
6 those provisions were included in this Act. References in the
7 incorporated Sections of the Retailers' Occupation Tax Act to
8 retailers, to sellers, or to persons engaged in the business
9 of selling tangible personal property mean distributors or
10 remote retail sellers when used in this Act. References in the
11 incorporated Sections to sales of tangible personal property
12 mean sales of tobacco products when used in this Act.

13 All of the provisions of Sections 7, 8, 8a, 16, 18a, 18b,
14 18c, 22, 23, 24, 26, 27, and 28a of the Cigarette Tax Act which
15 are not inconsistent with this Act shall apply, as far as
16 practicable, to the subject matter of this Act to the same
17 extent as if those provisions were included in this Act.
18 References in the incorporated Sections to sales of cigarettes
19 mean sales of little cigars in packages of 20 or 25 little
20 cigars.

21 (Source: P.A. 98-273, eff. 8-9-13.)

22 (35 ILCS 143/10-50)

23 Sec. 10-50. Violations and penalties. When the amount due
24 is under \$300, any distributor or remote retail seller who
25 fails to file a return, willfully fails or refuses to make any

1 payment to the Department of the tax imposed by this Act, or
2 files a fraudulent return, or any officer or agent of a
3 corporation engaged in the business of distributing or
4 engaging in remote retail sales of tobacco products to
5 retailers or ~~and~~ consumers located in this State who signs a
6 fraudulent return filed on behalf of the corporation, or any
7 accountant or other agent who knowingly enters false
8 information on the return of any taxpayer under this Act is
9 guilty of a Class 4 felony.

10 Any person who violates any provision of Section 10-20,
11 10-21, ~~or~~ 10-22, or 10-24 of this Act, fails to keep books and
12 records as required under this Act, or willfully violates a
13 rule or regulation of the Department for the administration
14 and enforcement of this Act is guilty of a Class 4 felony. A
15 person commits a separate offense on each day that he or she
16 engages in business in violation of Section 10-20, 10-21, ~~or~~
17 10-22, or 10-24 of this Act. If a person fails to produce the
18 books and records for inspection by the Department upon
19 request, a prima facie presumption shall arise that the person
20 has failed to keep books and records as required under this
21 Act. A person who is unable to rebut this presumption is in
22 violation of this Act and is subject to the penalties provided
23 in this Section.

24 When the amount due is under \$300, any person who accepts
25 money that is due to the Department under this Act from a
26 taxpayer for the purpose of acting as the taxpayer's agent to

1 make the payment to the Department, but who fails to remit the
2 payment to the Department when due, is guilty of a Class 4
3 felony.

4 Any person who violates any provision of Sections 10-20,
5 10-21 and 10-22 of this Act, fails to keep books and records as
6 required under this Act, or willfully violates a rule or
7 regulation of the Department for the administration and
8 enforcement of this Act is guilty of a business offense and may
9 be fined up to \$5,000. If a person fails to produce books and
10 records for inspection by the Department upon request, a prima
11 facie presumption shall arise that the person has failed to
12 keep books and records as required under this Act. A person who
13 is unable to rebut this presumption is in violation of this Act
14 and is subject to the penalties provided in this Section. A
15 person commits a separate offense on each day that he or she
16 engages in business in violation of Sections 10-20, 10-21 and
17 10-22 of this Act.

18 When the amount due is \$300 or more, any distributor or
19 remote retail seller who files, or causes to be filed, a
20 fraudulent return, or any officer or agent of a corporation
21 engaged in the business of distributing or engaging in remote
22 retail sales of tobacco products to retailers or ~~and~~ consumers
23 located in this State who files or causes to be filed or signs
24 or causes to be signed a fraudulent return filed on behalf of
25 the corporation, or any accountant or other agent who
26 knowingly enters false information on the return of any

1 taxpayer under this Act is guilty of a Class 3 felony.

2 When the amount due is \$300 or more, any person engaged in
3 the business of distributing or engaging in remote retail
4 sales of tobacco products to retailers or ~~and~~ consumers
5 located in this State who fails to file a return, willfully
6 fails or refuses to make any payment to the Department of the
7 tax imposed by this Act, or accepts money that is due to the
8 Department under this Act from a taxpayer for the purpose of
9 acting as the taxpayer's agent to make payment to the
10 Department but fails to remit such payment to the Department
11 when due is guilty of a Class 3 felony.

12 When the amount due is under \$300, any retailer who fails
13 to file a return, willfully fails or refuses to make any
14 payment to the Department of the tax imposed by this Act, or
15 files a fraudulent return, or any officer or agent of a
16 corporation engaged in the retail business of selling tobacco
17 products to purchasers of tobacco products for use and
18 consumption located in this State who signs a fraudulent
19 return filed on behalf of the corporation, or any accountant
20 or other agent who knowingly enters false information on the
21 return of any taxpayer under this Act is guilty of a Class A
22 misdemeanor for a first offense and a Class 4 felony for each
23 subsequent offense.

24 When the amount due is \$300 or more, any retailer who fails
25 to file a return, willfully fails or refuses to make any
26 payment to the Department of the tax imposed by this Act, or

1 files a fraudulent return, or any officer or agent of a
2 corporation engaged in the retail business of selling tobacco
3 products to purchasers of tobacco products for use and
4 consumption located in this State who signs a fraudulent
5 return filed on behalf of the corporation, or any accountant
6 or other agent who knowingly enters false information on the
7 return of any taxpayer under this Act is guilty of a Class 4
8 felony.

9 Any person whose principal place of business is in this
10 State and who is charged with a violation under this Section
11 shall be tried in the county where his or her principal place
12 of business is located unless he or she asserts a right to be
13 tried in another venue. If the taxpayer does not have his or
14 her principal place of business in this State, however, the
15 hearing must be held in Sangamon County unless the taxpayer
16 asserts a right to be tried in another venue.

17 Any taxpayer or agent of a taxpayer who with the intent to
18 defraud purports to make a payment due to the Department by
19 issuing or delivering a check or other order upon a real or
20 fictitious depository for the payment of money, knowing that
21 it will not be paid by the depository, is guilty of a deceptive
22 practice in violation of Section 17-1 of the Criminal Code of
23 2012.

24 A prosecution for a violation described in this Section
25 may be commenced within 3 years after the commission of the act
26 constituting the violation.

1 (Source: P.A. 100-201, eff. 8-18-17; 100-940, eff. 8-17-18.)

2 Section 99. Effective date. This Act takes effect July 1,
3 2026.