

1 sells, exchanges, or distributes tobacco products to
2 retailers or consumers in this State.

3 (2) Any manufacturer or wholesaler located outside
4 of Illinois engaged in the business of selling tobacco
5 products who sells, exchanges, distributes, ships, or
6 transports tobacco products to retailers or consumers in
7 this State, so long as that manufacturer or wholesaler
8 has or maintains within this State, directly or by
9 subsidiary, an office, sales house, or other place of
10 business, or any agent or other representative operating
11 within this State under the authority of the person or
12 subsidiary, irrespective of whether the place of business
13 or agent or other representative is located here
14 permanently or temporarily.

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

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

23 "Manufacturer" means any person, wherever resident or
24 located, who manufactures and sells tobacco products, except
25 a person who makes, manufactures, or fabricates tobacco
26 products as a part of a Correctional Industries program for
27 sale to persons incarcerated in penal institutions or
28 resident patients of a State operated mental health facility.

29 "Person" means any natural individual, firm, partnership,
30 association, joint stock company, joint venture, limited
31 liability company, or public or private corporation, however
32 formed, or a receiver, executor, administrator, trustee,
33 conservator, or other representative appointed by order of
34 any court.

1 "Place of business" means and includes any place where
2 tobacco products are sold or where tobacco products are
3 manufactured, stored, or kept for the purpose of sale or
4 consumption, including any vessel, vehicle, airplane, train,
5 or vending machine.

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

9 "Sale" means any transfer, exchange, or barter in any
10 manner or by any means whatsoever for a consideration and
11 includes all sales made by persons.

12 "Snuff" means any finely cut, ground, or powdered tobacco
13 that is intended to be placed in the oral cavity.

14 "Tobacco products" means any cigars; cheroots; stogies;
15 periques; granulated, plug cut, crimp cut, ready rubbed, and
16 other smoking tobacco; snuff or snuff flour; cavendish; plug
17 and twist tobacco; fine-cut and other chewing tobaccos;
18 shorts; refuse scraps, clippings, cuttings, and sweeping of
19 tobacco; and other kinds and forms of tobacco, prepared in
20 such manner as to be suitable for chewing or smoking in a
21 pipe or otherwise, or both for chewing and smoking; but does
22 not include cigarettes or tobacco purchased for the
23 manufacture of cigarettes by cigarette distributors and
24 manufacturers defined in the Cigarette Tax Act and persons
25 who make, manufacture, or fabricate cigarettes as a part of a
26 Correctional Industries program for sale to residents
27 incarcerated in penal institutions or resident patients of a
28 State operated mental health facility.

29 "Wholesale price" means the established list price for
30 which a manufacturer sells tobacco products to a distributor,
31 before the allowance of any discount, trade allowance,
32 rebate, or other reduction. In the absence of such an
33 established list price, the manufacturer's invoice price at
34 which the manufacturer sells the tobacco product to

1 unaffiliated distributors, before any discounts, trade
2 allowances, rebates, or other reductions, shall be presumed
3 to be the wholesale price.

4 "Wholesaler" means any person, wherever resident or
5 located, engaged in the business of selling tobacco products
6 to others for the purpose of resale.

7 (Source: P.A. 89-21, eff. 6-6-95.)

8 (35 ILCS 143/10-10)

9 Sec. 10-10. Tax imposed. On the first day of the third
10 month after the month in which this Act becomes law, a tax is
11 imposed on any person engaged in business as a distributor of
12 tobacco products other than snuff, as defined in Section
13 10-5, at the rate of 18% of the wholesale price of tobacco
14 products sold or otherwise disposed of in this State.
15 Beginning on January 1, 2002 and through December 31, 2002, a
16 tax is imposed on any person engaged in business as a
17 distributor of snuff, as defined in Section 10-5, at the rate
18 of 37 cents per ounce of snuff, with a proportionate tax at
19 the like rate on all fractional parts of an ounce of snuff.
20 Beginning on January 1, 2003 and through December 31, 2003, a
21 tax is imposed on any person engaged in business as a
22 distributor of snuff, as defined in Section 10-5, at the rate
23 of 39 cents per ounce of snuff, with a proportionate tax at
24 the like rate on all fractional parts of an ounce of snuff.
25 Beginning on January 1, 2004, and thereafter, a tax is
26 imposed on any person engaged in business as a distributor of
27 snuff, as defined in Section 10-5, at the rate of 41 cents
28 per ounce of snuff, with a proportionate tax at the like rate
29 on all fractional parts of an ounce of snuff. During these
30 time periods, for purposes of the tax on snuff, the tax shall
31 be computed based on the net weight as listed by the
32 manufacturer. The tax is in addition to all other occupation
33 or privilege taxes imposed by the State of Illinois, by any

1 political subdivision thereof, or by any municipal
2 corporation. However, the tax is not imposed upon any
3 activity in that business in interstate commerce or
4 otherwise, to the extent to which that activity may not,
5 under the Constitution and Statutes of the United States, be
6 made the subject of taxation by this State. The tax is also
7 not imposed on sales made to the United States or any entity
8 thereof.

9 All moneys received by the Department under this Act
10 shall be paid into the Long-Term Care Provider Fund of the
11 State Treasury.

12 (Source: P.A. 89-21, eff. 6-6-95.)

13 Section 99. Effective date. This Act takes effect on
14 January 1, 2002."