

**Illinois Department of Revenue
Regulations**

Title 86 Part 440 Section 440.20 Tax—How Paid

TITLE 86: REVENUE

**PART 440
CIGARETTE TAX ACT**

Section 440.20 Tax--How Paid

- a) Except as provided in subsection (b) of this Section, payment of the tax imposed by the Act shall be evidenced by a stamp or alternative tax indicia affixed to each "original package" of cigarettes, in a face amount equal to 29 mills for each cigarette contained in such package; except that, beginning July 1, 2002, the tax rate is 49 mills per cigarette contained in each package. Stamps are sold only to distributors by the Department at a discount (explained in more detail in Section 440.90 of this Part), when purchased according to law, in denominations evidencing payment of the tax on packages of 10, 20 and 25 cigarettes. Beginning June 7, 2002 through June 28, 2002, *persons holding valid licenses as distributors may purchase cigarette tax stamps up to an amount equal to 115% of the distributor's average monthly cigarette tax stamp purchases over the prior 12 calendar months* [35 ILCS 130/3.
- b) Illinois cigarette manufacturers who place their cigarettes in original packages which are contained inside a sealed transparent wrapper, and similar out-of-State cigarette manufacturers who elect to qualify and are accepted by the Department as distributors under Section 4b of the Act, shall pay the taxes imposed by the Act by remitting the amount thereof, less the discount explained in Section 440.90 of this Part, to the Department by the 5th day of each month covering cigarettes shipped or otherwise delivered in Illinois to purchasers during the preceding calendar month. The manufacturers of cigarettes in original packages that are contained inside a sealed transparent wrapper, before delivering the cigarettes or causing the cigarettes to be delivered in this State to purchasers, shall evidence their obligation to remit the taxes due with respect to the cigarettes by imprinting language to be prescribed by the Department on each original package of cigarettes underneath the sealed transparent outside wrapper of the original package, in a place thereon and in such manner as the Department may designate. The imprinted language shall acknowledge the manufacturer's payment of or liability for the tax imposed by the Act with respect to the distribution of such cigarettes.
- c) The Department may refuse to sell cigarette revenue stamps to any person who does not comply with the provisions of the Cigarette Tax Act.

(Source: Amended at 27 Ill. Reg. 1618, effective January 15, 2003)