



# *Informational*

## *Bulletin*

Brian Hamer, Director

## **Tobacco Products Tax Changes**

### ***To: Tobacco Distributors***

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This bulletin is written to inform you of recent changes; it does not replace statutes, rules and regulations, or court decisions.

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**For information or forms**

Visit our website at:  
[tax.illinois.gov](http://tax.illinois.gov)

Call us at:  
217 782-6045

Call our TDD  
(telecommunications device  
for the deaf) at:  
1 800 544-5304

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On July 1, 2012, the Illinois Tobacco Products tax rate increases and certain tobacco products meet the new definition of cigarettes.

### **What is the tax rate change effective July 1, 2012?**

For the tax imposed on the wholesale price of tobacco products sold or otherwise disposed of to a retailer or consumer, the tax rate increases from 18 percent to 36 percent.

This new tax rate applies beginning with the July 2012 return, which is due August 15, 2012.

### **Are there any form changes due to the new tax rate?**

Yes. We have revised the following returns. (The revision date in the lower left corner is (R-6/12).) You must use these forms beginning with your July 2012 liability period.

- TP-1, Tobacco Products Tax Return, and
- TP-1-X, Amended Tobacco Products Tax Return

You may access these forms on our website at [tax.illinois.gov](http://tax.illinois.gov).

### **What is the definition of “cigarette” effective July 1, 2012?**

Effective July 1, 2012, some products that have been regulated and taxed under the Tobacco Products Tax Act, will meet the new definition of “cigarette” and will be regulated and taxable under the Cigarette Tax Act and the Cigarette Use Tax Act. *Please refer to Informational Bulletin FY 2012-12, New Requirements for Tobacco Products Commonly Known as Little Cigars, for additional information regarding licensing and tax returns affected by the new definition of cigarette.*

Please see the following page for the new definition of cigarette. →

**Effective July 1, 2012**, “cigarette” means any roll for smoking made wholly or in part of tobacco:

1) irrespective of size or shape, whether or not such tobacco is flavored, adulterated or mixed with any other ingredient, and the wrapper is made of paper or 2) labeled as anything other than a cigarette or not bearing a label, if it ***meets two or more of the following criteria***:

1. the product is sold in packs similar to cigarettes
2. the product is available for sale in cartons of ten packs
3. the product is sold in soft packs, hard packs, flip-top boxes, clam shells, or other cigarette-type boxes
4. the product is of a length and diameter similar to commercially-manufactured cigarettes
5. the product has a cellulose acetate or other integrated filter
6. the product is marketed or advertised to consumers as a cigarette or cigarette substitute
7. other evidence that the product fits within the definition of cigarette

As referenced on the front page, for additional details, please refer to Informational Bulletin FY 2012-12, New Requirements for Tobacco Products Commonly Known as Little Cigars.