

**Important Notice:** On August 22, 2012, the circuit court of Cook County issued a preliminary injunction barring the Department from enforcing the new law as it applies to the definition of little cigars, imposing penalties and seizing products. The Department has appealed the issuance of the injunction. As a result, Informational Bulletin FY 2013-06 (November 2012) should not be viewed as a resolution of this lawsuit. Rather, this Bulletin is instructional as to how a distributor should file and pay the tax to the extent a tax is or will be ultimately due on the little cigars it is selling.



Illinois Department of Revenue

FY 2013-06  
November 2012

# *Informational*

## *Bulletin*

Brian Hamer, Director

### **New Requirements for Little Cigars in Packages Containing Any Quantity Other than 20 or 25 Sticks**

***To: All cigarette 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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Effective immediately, this bulletin supersedes a portion of Informational Bulletin FY 2012-12, regarding the regulation and taxation of certain tobacco products commonly known as "little cigars".

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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

The department has changed the requirements for stamping little cigars in packages containing any quantity **other** than 20 or 25 sticks (on which the cigarette tax was not paid). These packages are not required to have a tax stamp affixed. However, there are new reporting and payment requirements.

#### **How must I account for little cigars contained in packages other than 20 or 25 sticks?**

A new return and reporting requirements have been established for Illinois licensed cigarette distributors. You must report monthly sales of "little cigars" in unstamped packages containing any quantity **other** than 20 or 25 sticks (on which the cigarette tax was not paid) and calculate any tax due on Form RC-55, Unstamped Little Cigar Sticks Tax Return.

#### **When is Form RC-55 due?**

**For reporting periods of July 2012 through October 2012**, file all returns on or before December 1, 2012. If all returns are filed and tax paid for these reporting periods on or before December 1, 2012, the department will not assess late filing and payment penalties and interest for these reporting periods.

**Starting with the November 2012 reporting period**, Form RC-55 is due on or before the 15th day of each month to report transactions you made during the preceding month.

*Even if you have no sales during the reporting period, you must file a return for each month.*

Mail your completed return and payment to:

**ALCOHOL, TOBACCO AND FUEL DIVISION  
ILLINOIS DEPARTMENT OF REVENUE  
PO BOX 19019  
SPRINGFIELD IL 62794-9019**

**What license number should I write on my RC-55 returns?**

Write your RC-6 or RC-6-A license number on your Form RC-55 monthly return until further notice.

**In the near future**, we will issue and send you a new license number which you will need to use on your Form RC-55.

**Is there a different tax rate depending on the quantity of little cigars contained in a package?**

No. The tax per stick remains the same at 99 mills per stick. However, packages of little cigars containing 20 or 25 sticks are required to have an Illinois cigarette tax stamp affixed.

**Are there other Illinois forms on which I must report these little cigars?**

Yes. You must report little cigars in unstamped packages containing any quantity other than 20 or 25 sticks as a deduction on Form RC-127, Schedule CH, Other Deductions - Cigarette Tax, and your Form RC-6, Cigarette Revenue Return, or Form RC-6-A, Out of State Cigarette Revenue Return.

**Below are the instructions for completing Step 2 of Schedule CH for unstamped little cigars in packages containing any quantity other than 20 or 25 sticks.**

**Column 1:** Write the end of the month date that matches your Form RC-6 or RC-6-A for the same period.

**Column 2:** Write "RC-55".

**Column 3:** Write "RC-55".

**Column 4:** Write the total number of sticks. Also write this total number on Form RC-55, Line 8.

**Grand Total:** Add all deductions and write the result on Line 2c and on Form RC-6, Line 14, or Form RC-6-A, Line 10.