



Form TP-1 Instructions

General Instructions

Who must file Form TP-1?

You must file Form TP-1, Uniform Tobacco Products Tax Return, if you are an Illinois-licensed distributor of tobacco products excluding cigarettes. A distributor is any person engaged in the business of selling tobacco products to retailers, and in some cases to consumers, in Illinois. Distributors include:

- in-state manufacturers and wholesalers;
- out-of-state manufacturers and wholesalers who have nexus in Illinois; and
- retailers who purchase tobacco products directly from unlicensed out-of-state suppliers.

You have nexus in Illinois if you have or maintain within Illinois, directly or by subsidiary:

- an office, sales house, or other place of business; or
- any agent or other representative operating in this State, under authority of the person or subsidiary, even if only occasionally.

When must I file Form TP-1?

You must file Form TP-1, along with Form TP-1-IL, Uniform Tobacco Transaction Schedule, and pay any tax due on or before the 15th day of each month to report transactions you made during the preceding calendar month. All tobacco product distributors are mandated to electronically file Form TP-1.

Form TP-1 can be filed electronically using MyTax Illinois at mytax.illinois.gov, or using a direct transmission method through software you develop or purchase from a third-party vendor. If the due date falls on a weekend or holiday, your return and payment are due the next business day.

Note: If you need to submit a claim for credit for an overpayment or to submit an incident deduction report regarding your inventory, you must use MyTax Illinois.

What transactions must I report on Form TP-1?

You must report all purchases, returns, and sales of tobacco products made during the preceding month. Purchase transactions should be reported using the 1A or 1B Schedule Code. Return transactions should be reported using the 1C or 1D Schedule Code. Sales transactions should be reported using the 2A, 2B, 2C, or 2D Schedule Code.

What if I fail to file and pay the amount I owe?

You owe a **late-filing penalty** if you do not file a processable return by the due date, a **late-payment penalty** if you do not pay the tax you owe by the date the tax is due, and a **bad check penalty** if your remittance is not honored by your financial institution. Interest is calculated on tax from the day after the original due date of your return through the date you pay the tax. We will bill you for penalties and interest. For more information about penalties and interest, see Publication 103, Penalties and Interest for Illinois Taxes. To receive a copy of this publication, visit our website at tax.illinois.gov.

What if I need to correct a previously filed return?

If you need to correct a previously filed Form TP-1, follow the steps below for amending your return.

- If you are filing through MyTax Illinois, select "File a Return" beside your Tobacco Products Tax account. Select "View/Amend" beside the filing period you want to amend, and then select "Amend."
- If you are filing using a direct transmission method through software you developed or purchased from a third-party vendor, follow the instructions in the **TUP-750 Implementation Guide**.

What records must I keep?

You are required by law to keep books and records showing all purchases, receipts, invoices, losses through any cause, sales, and distributions.

How long must I retain my records?

You must retain the records required to substantiate this return for at least three and one-half years from the due date of the return or the date filed, whichever is later.

What if I need additional assistance?

If you have questions about this return, email us at REV.ATP-MFR@illinois.gov or call our Springfield office weekdays between 8:00 a.m. and 4:00 p.m. at 217 782-6045. You may also visit our website at tax.illinois.gov or scan the QR code provided.



Definitions

E-cigarettes

Electronic cigarette means:

- Any device that employs a battery or other mechanism to heat a solution or substance to produce a vapor or aerosol intended for inhalation, except for (A) any device designed solely for use with cannabis that contains a statement on the retail packaging that the device is designed solely for use with cannabis and not for use with tobacco or (B) any device that contains a solution or substance that contains cannabis subject to tax under the Compassionate Use of Medical Cannabis Program Act or the Cannabis Regulation and Tax Act;
- Any cartridge or container of a solution or substance intended to be used with or in the device or to refill the device, except for any cartridge or container of a solution or substance that contains cannabis subject to tax under the Compassionate Use of Medical Cannabis Program Act or the Cannabis Regulation and Tax Act; or
- Any solution or substance, whether or not it contains nicotine, intended for use in the device, except for any solution or substance that contains cannabis subject to tax under the Compassionate Use of Medical Cannabis Program Act or the Cannabis Regulation and Tax Act.
- Electronic cigarette includes, but is not limited to, any electronic nicotine delivery system, electronic cigar, electronic cigarillo, electronic pipe, electronic hookah, vape pen, or similar product or device, and any component or part that can be used to build the product or device.

Moist Snuff

Moist snuff means any finely cut, ground, or powdered tobacco that is not intended to be smoked, but shall not include any finely cut, ground, or powdered tobacco that is intended to be placed in the nasal cavity.

Other Tobacco Products (OTP)

For reporting purposes, Other Tobacco Products (OTP) are any products that meet the definition of “Tobacco Products” **excluding** products that meet the definition of “E-cigarette” or “Moist Snuff”.

Taxable Products

Sales of tobacco products, excluding little cigars, by distributors who will not sell the product to a retailer or consumer are not subject to the tax imposed by the Tobacco Products Tax Act of 1995 (the Act). Sales by a distributor to another distributor as sales for resale are not subject to the tax imposed by the Act. Sales of tobacco products to retailers or consumers are taxable sales. See 86 Ill. Adm Code 660.5 and 660.30.

Tobacco Products

Tobacco products means any product that is made from or derived from tobacco that is intended for human consumption or is likely to be consumed, including but not limited to cigars, including little cigars; cheroots; stogies; periques; granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco; snuff (including moist snuff) and snuff flour; cavendish; plug and twist tobacco; fine-cut and other chewing tobaccos; shorts; refuse scraps, clippings, cuttings, and sweeping of tobacco; snus; shisha and tobacco for use in waterpipes; and other kinds and forms of tobacco, prepared in such manner as to be suitable for chewing or smoking in a pipe or otherwise, or both for chewing and smoking for inhalation, absorption, or ingesting by any other means; but does not include cigarettes as defined in Section 1 of the Cigarette Tax Act or tobacco purchased for the manufacture of cigarettes by cigarette distributors and manufacturers defined in the Cigarette Tax Act and persons who make, manufacture, or fabricate cigarettes as a part of a Correctional Industries program for sale to residents incarcerated in penal institutions or resident patients of a State operated mental health facility.

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

In addition, beginning on July 1, 2025, “tobacco products” does not include any product that has been approved by the United States Food and Drug Administration for sale as a tobacco or smoking cessation product, a nicotine replacement therapy product, or for other medical purposes where that product is marketed and sold solely for such approved use, including but not limited to spray or inhaler prescribed by a physician, chewing gum, skin patches, or lozenges. The tobacco products tax is imposed upon the last distributor who sells tobacco products to a retailer or consumer located in Illinois.

Note: For help determining which return to file for little cigars, see the **cigarette tax and cigarette use tax forms** webpage. Little cigar means and includes any roll, made wholly or in part of tobacco, where such roll has an integrated cellulose acetate filter and weighs less than 4 pounds per thousand and the wrapper or cover of which is made in whole or in part of tobacco.

Wholesale Price

Wholesale price means the total invoice price at which tobacco products are sold by a distributor before the allowance of any discounts, trade allowance, rebates, or other reductions for all products sold or otherwise disposed of during the filing period. Surcharges added by distributors are considered part of the wholesale price subject to tax.

Instructions

MyTax Illinois Return Features

Instructions - The Instructions button at the top of the return will open the instructions for this return.

Tips - Selecting a tip icon (*i.e.*, white question mark in a light blue circle) will give you access to further information specific to that line or field.

Error Message - Selecting an alert icon (*i.e.*, yellow triangle with exclamation point) will give you an error message with information specific to that line or field.

Save - When you select the Save button and enter your password, you will have the following options:

- **Continue Editing** - Save your progress and continue working on the return.
- **Finish Later** - Save your progress and return at a later time to continue working on the return.
- **Printable Confirmation** - Print the confirmation information displayed after saving your progress.
- **Print/Save a Copy of your Request** - Print the return and schedule information you have entered up to this point.
- **OK** - Return to the screen you were on prior to opening the return.

Note: Saving your return is not the same as filing your return. For instructions on how to file your return with the Illinois Department of Revenue (IDOR), see **Submitting Your Return** below.

- **Cancel** - Exit the return.

Note: If you exit the return using the Cancel button, you will lose any unsaved changes.

Submissions with CSV File – The CSV (Comma Separated Value) file format is used for importing the tobacco products information file directly to an Illinois Form TP-1-IL. The file format can be found on Form TP-1-IL Instructions.

Note: Due to the new layout of Form TP-1 and its Transaction Schedule, there will be a maximum file limit (based on size of CSV formatted file). If your return and schedules exceed 50MB, you will be required to file using the direct file method. As we monitor performance of the system with the new layouts, this maximum file limit may be reduced in order to provide the best taxpayer experience and to consider system resources. See our website at **tax.illinois.gov** for details on the direct filing method.

Return Instructions

Determine the reporting period of the return.

When completing this return, use the separate columns to report OTP, E-cigarettes, and Moist Snuff. The tax imposed in the columns are:

- **Other Tobacco Products (OTP)** - on the wholesale price of tobacco products (excluding E-cigarettes and Moist Snuff) sold or otherwise disposed of to retailers or consumers located in this State during the reporting period. These products are denoted as “**IL-OTP**” as the State Description Code on Form TP-1-IL;
- **E-cigarettes** - on the wholesale price of electronic cigarettes sold or otherwise disposed of to retailers or consumers located in this State during the reporting period. These products are denoted as “**IL-ECIG**” as the State Description Code on Form TP-1-IL; and

- **Moist Snuff** - effective July 1, 2025, on the wholesale price of moist snuff sold or otherwise disposed of to retailers or consumers located in this State during the reporting period. These products are denoted as “IL-MS” as the State Description Code on Form TP-1-IL.

Note: All lines on the cover page of Form TP-1 (with exception to Line 8) are systemically calculated with the records on Form TP-1-IL.

Tobacco Products Sold or Disposed

Line 1 - The total amount of products sold or disposed to all customers on Form TP-1-IL, Schedule Code 2B and 2C. Effective July 1, 2025, the total amount on Line 1 means the summed wholesale price from multiplying the total number of products sold/disposed by the wholesale price.

Note: The total amount of the wholesale price means the total invoice price at which tobacco products are sold by a distributor before the allowance of any discounts, trade allowance, rebates, or other reductions for all products sold or otherwise disposed of during the filing period. Surcharges added by distributors are considered part of the wholesale price subject to tax.

Deductions

Line 2 - The in-state returns from customers within Illinois on Form TP-1-IL, Schedule Code 1C where the Customer Type is “Retailer”, “Employee”, or “Customer” and State is “IL” in the address of the invoiced customer listed for which tax was previously paid on Form TP-1-IL, Schedule Code 2C.

Exempt Transactions

Line 3a - Your exempt sales to Native American entities on Form TP-1-IL, Schedule Code 2B or 2C where the Customer Type is “Native” and the State is “IL”. Native transactions are to a Native American tribe, band, nation, pueblo, village, or community that the Secretary of the Interior acknowledges to exist as an Indian tribe pursuant to the Federally Recognized Indian Tribe List Act of 1994, 25 U.S.C 479a. (See section 4(e) of the Indian Self-Determination and Education Assistance Act.)

Line 3b - Your exempt sales to licensed distributors or wholesalers on Form TP-1-IL, Schedule Code 2B where the State is “IL” and Customer Type is not “Native”. Do not include amounts that have already been deducted with “Native” as the Customer Type.

Line 3c - Your exempt sales to military, government, or other exempt transactions on Form TP-1-IL, Schedule Code 2C where the Customer Type is “Military” or “Government” and the State is “IL”.

Line 3d - Your exempt sales to interstate commerce (out-of-State customer sales) on Form TP-1-IL, Schedule Code 2B or 2C where the State is not “IL”.

Total Deductions

Line 4 - Total of Lines 2, 3a, 3b, 3c, and 3d.

Net Taxable Amount

Line 5 - Subtract Line 4 from Line 1.

Line 6 - The tax rate by state description. For additional information, see the **Excise Tax Rates and Fees** webpage.

Line 7 - The tax amount. Multiply Line 5 times Line 6.

Line 8 - Enter the amount of credit you wish to apply.

Line 9 - The total tax due. Subtract Line 8 from Line 7.

Submitting Your Return

To file your return with IDOR, you must submit your completed return as follows:

- Select the Submit button; and
- Enter your password.

The confirmation screen gives you the following options:

- **Printable Confirmation** – Selecting this button allows you to print the confirmation information from submitting your return.
- **Print/Save a Copy of your Request** – Selecting this button allows you to print the return and schedule information.

- **Proceed to Payment** – Selecting this button allows you to begin the process of submitting your payment.
- **OK** – Selecting this button will take you to the screen you were on prior to opening the return.

Return Status

The Return Status column will tell you in which stage of processing your return is in.

No Status - If no status is listed in the column, no action has been taken on the return for this period.

Multiple Returns - More than one return exists for this period. Select the Period link on the left to see what the status is on the multiple returns.

Overdue - No return has been filed with IDOR for this period, and the due date has passed.

Saved - A return exists for the period, but it has not yet been submitted to IDOR.

Note: A return must be submitted on or before the due date in order to be considered filed on time. Saving a return and submitting a return are not the same. See Submitting Your Return above.

Pending - Your return has been submitted through MyTax Illinois, but it has not yet been accepted by IDOR.

Note: If you need to make changes to your return, you are still able to edit your return while it is in the Pending status. After editing your return, you must submit your return again. Simply saving your changes will not submit the new information to IDOR.

In Process - Your return has been submitted through MyTax Illinois and has been accepted by IDOR. However, it has not been fully processed by IDOR.

Note: If you need to make changes to a return in process, you must complete and submit an amended return. However, it is possible that the numbers on the return may change based on IDOR review.

Processed - Your return has been accepted by IDOR and has been fully processed.

Note: If you wish to make changes to a processed return, you must complete and submit an amended return.