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+ INCREASE IN CIGARETTE TAX  
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|TO:|CIGARETTE  
+---+DISTRIBUTORS

Effective July 1, 1989, the cigarette tax increased by <> per cigarette. The new rate for a package of 20 cigarettes is 30> (up from 20>). The rate for a package of 25 cigarettes is 37<> (up from 25>).

NO CHANGE IN THE DISCOUNT RATE  
The discount rate remains at 1.75% of the first \$3 million paid a year (July 1 through June 30,) and 1.5% of all purchases above \$3 million a year.

QUESTIONS?  
If you have any questions or need additional information about the cigarette tax increase, please call or write. Our address and phone numbers are listed at the bottom of this page.

Here are the prices for packaged quantities of cigarette tax stamps at the new rate:

NO FLOOR TAX  
The tax rate increase does not include a tax on floor inventories. That is you and your customers may sell cigarettes with the old stamps until they are gone.

For a roll of machine-applied stamps  
30,000 stamps @30> \$9,000  
4,800 stamps @37<> \$1,800  
6,000 stamps @37<> \$2,250

For a package of hand-applied stamps

100 stamps @15> \$15  
(Series C)  
100 stamps @30> \$30  
(Series E)

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FOR INFORMATION CALL: 1 800 732-8866 or  
1 217 782-3336  
WRITE: Illinois Department of Revenue  
101 W. Jefferson St., P.O. Box 19044  
Springfield, IL 62794-9044  
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