

ILLINOIS REGISTER

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DEPARTMENT OF REVENUE

NOTICE OF PROPOSED AMENDMENT

- 1) Heading of the Part: Cannabis Purchaser Excise Tax
- 2) Code Citation: 86 Ill. Adm. Code 423
- 3) Section Number: 423.155 Proposed Action: Amendment
- 4) Statutory Authority: Implementing Article 65 of the Cannabis Regulation and Tax Act (Cannabis Purchaser Excise Tax Law) [410 ILCS 705] and authorized by Sections 65-50 of the Cannabis Purchaser Excise Tax Law.
- 5) A Complete Description of the Subjects and Issues Involved: This rulemaking amends Section 423.155 to provide procedures for Seizure and Forfeiture from Public Act 103-1001, effective August 9, 2024.
- 6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None
- 7) Will this proposed rulemaking replace an emergency rule currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this proposed rulemaking contain incorporations by reference? No
- 10) Are there any other proposed rulemakings pending on this Part? No
- 11) Statement of Statewide Policy Objectives: These rules do not create or enlarge a mandate as described in Section 3(b) of the State Mandates Act.
- 12) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to submit comments on this proposed rulemaking may submit them in writing by no later than 45 days after publication of this Notice to:

Kimberly Rossini  
Illinois Department of Revenue  
Legal Services Office  
101 West Jefferson

ILLINOIS REGISTER

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Springfield, Illinois 62794

(217) 782-7055  
[REV.GCO@illinois.gov](mailto:REV.GCO@illinois.gov)

13) Initial Regulatory Flexibility Analysis:

- A) Description of the type of small business, not for profit corporations or small municipalities subject to the proposed rule: Persons making sales of cannabis at retail are affected.
- B) Description of the proposed reporting, bookkeeping and other procedures required for compliance with the rule: Basic accounting and computer skills.
- C) Description of the types of professional skills necessary for compliance: Basic accounting and computer skills.

14) Small Business Economic Impact Analysis:

- A) Types of businesses subject to the proposed rule:

44-45 Retail Trade  
92 Public Administration
- B) Estimated number of small business subject to the proposed rule: There are 264 registered dispensaries in Illinois.
- C) Categories that the agency reasonably believes the rulemaking will impact, including:

viii. record keeping
- D) Projected reporting, recordkeeping and other administrative costs for compliance with the proposed rule: No additional costs.
- E) Type of professional skills necessary for preparation of any report or record required for compliance with the proposed rule or amendment: Basic recordkeeping, no new requirements.

ILLINOIS REGISTER

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DEPARTMENT OF REVENUE

NOTICE OF PROPOSED AMENDMENT

- F) Statement of the probable positive or negative economic effect on small business: No economic effect on small business.
- G) Description of any less intrusive or costly alternative methods of achieving the purposes of the rule: Not applicable as there is no economic effect on small business.
- 15) Regulatory Agenda on which this rulemaking was summarized: July 2025
- 16) Any other information or justification for the proposed rule or amendment that the agency believes would be helpful to the public regarding the proposed rule or amendment. For example, a discussion or analysis of the benefits of the proposed rule or amendment is projected to have on the Illinois public, consumers, investors or other similar groups: This rule implements Public Act 103-1001 to permit the Department to seek a waiver and consent to forfeiture of seized products, which will reduce costs for the Department as storage is required to house seized product.

The full text of the Proposed Amendment begins on the next page:

ILLINOIS REGISTER

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DEPARTMENT OF REVENUE

NOTICE OF PROPOSED AMENDMENT

TITLE 86: REVENUE  
CHAPTER I: DEPARTMENT OF REVENUE

PART 423  
CANNABIS PURCHASER EXCISE TAX

Section

423.100	Nature of the Tax
423.105	Definitions
423.110	Tax Imposed
423.115	Bundling of Taxable and Nontaxable Items; Prohibition; Taxation
423.120	Collection of Tax
423.125	Tax Collected as Debt Owed the State
423.130	Return and Payment of Tax by Cannabis Retailer
423.135	Registration of Cannabis Retailers
423.140	Revocation of Certificate of Registration
423.145	Books and Records
423.150	Arrest; Search and Seizure Without a Warrant
423.155	Seizure and Forfeiture
423.160	Search Warrant; Issuance and Return; Process; Confiscation of Cannabis; Forfeitures
423.165	Violations and Penalties; Interest
423.170	Cannabis Retailers; Purchase and Possession of Cannabis
423.175	Administration and Enforcement

AUTHORITY: Implementing Article 65 of the Cannabis Regulation and Tax Act (Cannabis Purchaser Excise Tax Law) [410 ILCS 705] and authorized by Section 65-50 of the Cannabis Purchaser Excise Tax Law.

SOURCE: Emergency rule adopted at 44 Ill. Reg. 612, effective December 27, 2019, for a maximum of 180 days; adopted at 44 Ill. Reg. 10751, effective June 2, 2020; amended at 45 Ill. Reg. 4124, effective March 9, 2021; amended at 47 Ill. Reg. 1450, effective January 17, 2023; amended at 50 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.

**Section 423.155 Seizure and Forfeiture**

- a) After seizing any cannabis as provided in Section 423.150~~Section 423.150~~, the Department must~~will~~ hold a hearing and determine whether the retailer

## ILLINOIS REGISTER

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### DEPARTMENT OF REVENUE

#### NOTICE OF PROPOSED AMENDMENT

*was properly registered to sell the cannabis at the time of its seizure by the Department. The Department ~~shall~~will give not less than 20 days' notice of the time and place of the hearing to the owner of the cannabis, if the owner is known, and also to the person in whose possession the cannabis was found, if that person is known and if the person in possession is not the owner of the cannabis. If neither the owner nor the person in possession of the cannabis is known, the Department ~~must~~will cause publication of the time and place of the hearing to be made at least once in each week for 3 weeks successively in a newspaper of general circulation in the county where the hearing is to be held.*

- b) *The Department is not required to hold such a hearing if a waiver and consent to forfeiture has been executed by the owner of the cannabis, if the owner is known, and by the person in whose possession the cannabis so taken was found, if that person is known and if that person is not the owner of said cannabis.*
- c) *If, as the result of the hearing, the Department determines that the retailer was not properly registered at the time the cannabis was seized, or upon receipt of a properly executed waiver and consent to forfeiture as provided in subsection (b), the Department ~~must~~will enter an order declaring the cannabis confiscated and forfeited to the State, to be held by the Department for disposal by it as provided in Section 423.160~~Section 423.160~~. The Department ~~must~~will give notice of the order to the owner of the cannabis, if the owner is known, and also to the person in whose possession the cannabis was found, if that person is known and if the person in possession is not the owner of the cannabis. If neither the owner nor the person in possession of the cannabis is known, the Department ~~must~~will cause publication of the order to be made at least once in each week for 3 weeks successively in a newspaper of general circulation in the county where the hearing was held. [410 ILCS 705/65-42]*

(Source: Amended at 50 Ill. Reg. \_\_\_\_, effective \_\_\_\_\_)