Illinois Department of Revenue

Implementation Guide for

Direct Electronic Filing of

Tobacco Products Tax Returns

August 2019

Overview

We encourage all taxpayers to file electronically. Illinois business taxpayers can electronically file using the Illinois Department of Revenue's direct file program. Our goal is to provide you with simple, error-free methods of filing and paying. Filing electronically also helps our environment by reducing the use of paper.

The following tobacco products tax forms can be electronically filed:

- **TP-1, Tobacco Products Tax Return;**
- **TP-1-X, Amended Tobacco Products Tax Return;** and
- the following supporting schedules:
    - **TP-7, Schedule of Returned Merchandise for Tobacco Products Tax;**
    - **TP-11, Products Sold in Interstate Commerce;**
    - **TP-12, Products Sold to Other Distributors/Wholesalers;**
    - **TP-13, Other Deductions for Tobacco Products;**
    - **TP-14, Moist Snuff Sold and Shipped in Interstate Commerce;**
    - **TP-15, Moist Snuff Sold to Other Distributors/Wholesalers;**
    - **TP-16, Schedule of Returned Moist Snuff;**
    - **TP-17, Other Deductions for Moist Snuff;**
    - **TP-18, E-Cigarette Products Sold in Interstate Commerce;**
    - **TP-19, E-Cigarette Products Sold to Other Distributors/Wholesalers;**
    - **TP-20, Schedule of Returned E-Cigarette Merchandise for Tobacco Products Tax; and**
    - **TP-21, Other Deductions for E-Cigarette Products.**

Direct File Program

Using an HttpsPost Utility Program, tobacco products tax returns and schedules are transferred to the gateway server of the Illinois Department of Revenue (IDOR) via the Internet, using Secure Socket Layer technology. File specifications must be used and the files must be formatted as text files using the ASCII character set.

All applicants must agree to comply with all of the requirements and specifications set forth by IDOR in this implementation guide and in 86 Illinois Administrative Code Part 750, Payment of Taxes by Electronic Funds Transfer, and 86 Illinois Administrative Code Part 760, Electronic Filing of Returns or Other Documents. In addition, all applicants, including those who develop software, must successfully complete testing.

Note: The information contained in this publication does not represent a binding position of the Department, may not be cited as legal authority, and creates no rights under the Taxpayers' Bill of Rights Act.

What is an electronically filed return?

An electronically filed return or schedule consists of data transmitted or provided to IDOR by electronic means. In total, electronic returns and schedules contain the same information as traditionally filed paper documents. We will accept:

- **TP-1, Tobacco Products Tax Return;**
- **TP-1-X, Amended Tobacco Products Tax Return;** and
- the following supporting schedules:
    - **TP-7, Schedule of Returned Merchandise for Tobacco Products Tax;**
    - **TP-11, Products Sold in Interstate Commerce;**
    - **TP-12, Products Sold to Other Distributors/Wholesalers;**
    - **TP-13, Other Deductions for Tobacco Products;**
    - **TP-14, Moist Snuff Sold and Shipped in Interstate Commerce;**
    - **TP-15, Moist Snuff Sold to Other Distributors/Wholesalers;**
    - **TP-16, Schedule of Returned Moist Snuff;**
    - **TP-17, Other Deductions for Moist Snuff;**
    - **TP-18, E-Cigarette Products Sold in Interstate Commerce;**
    - **TP-19, E-Cigarette Products Sold to Other Distributors/Wholesalers;**
    - **TP-20, Schedule of Returned E-Cigarette Merchandise for Tobacco Products Tax; and**
    - **TP-21, Other Deductions for E-Cigarette Products.**

All returns/schedules must be transmitted within a single file via electronic data transfer and must include an electronic signature. See **Electronic Signatures** on page 6 below.

The following paper documents contain information that cannot be provided electronically and must be mailed:

- Copies of schedules, invoices, and bills of lading requested for verification purposes;
- Final returns, which require the taxpayer to send an explanation as to the reason for the return being final (*e.g.,* business sold or discontinued) (See **How to file a final return** on page 14 below.);
- Returns and payments that are made in protest in accordance with Section 2a.1 of the State Officers and Employees Money Disposition Act (30 ILCS 230/2a.1), which requires the corresponding notice to be mailed to IDOR (See **How to file a protested return electronically** on page 12 below.); and
- Changes of address, which must be sent by mail to IDOR using Form REG-3-C, Business Information Update. See **How to change your address** on page 13 below.

Am I required to file and pay electronically?

Mandatory Electronic Filing

Participation in the tobacco products tax return electronic filing program is mandatory. If you participate in the program, then you are required to make all payments by electronic means for returns filed with IDOR via electronic data transfer.

Timeliness and Date Received of Return and Payment

Return

To be considered timely filed, a return must be acknowledged as accepted, or accepted with errors, no later than 11:59 p.m. (Central Standard Time) on the due date. This also applies to the retransmission of returns that were previously acknowledged as rejected. The IDOR Illinois Gateway records the date and time a transmission is complete. If a return is acknowledged as accepted or accepted with errors, this date and time is used as the date and time the return is received by Illinois. If a return is acknowledged as rejected, the return is considered not filed.

Participants should ensure that the return transmission is started early enough to be completed prior to the end of the day (11:59 p.m. Central Standard Time) on the return due date. To avoid late filing, it is recommended that participants schedule transmissions to allow for timely correction and retransmission in the case of a rejected transaction.

Payment

An electronic payment initiated on the due date for the next available settlement date will be considered timely paid. We recommend payments be initiated one or two days before the due date for settlement on the due date.

Note: These constraints for timely payment apply to IDOR debit authorizations, whether they are received embedded within a return filing or as a stand-alone payment transaction.

Participants should ensure that the debit authorization data contains a payment date no later than the due date. To avoid late payment, IDOR recommends that participants schedule debit authorization transmissions to allow for timely correction and retransmission in the case of a rejected debit transaction.

Note regarding due dates for electronic returns and payments: The provisions of Section 1.25 of the Statute on Statutes (5 ILCS 70/1.25), asserting that returns and payments transmitted through the U.S. mail are deemed filed with or received by the State on the date shown by the post office cancellation mark stamped upon the envelope or other wrapper containing it, do not apply to returns filed by electronic means as those returns are not transmitted by mail.

Electronic Funds Transfer

Tobacco distributors who electronically file returns with IDOR must make all required return payments by electronic means. The acceptable means of electronic payment are:

- electronic funds transfer (EFT) under the Electronic Funds Transfer Program described in 86 Illinois Administrative Code Part 750; and
- electronic payment by including payment data (ACH debit only) as part of the electronic transmission of the return and schedule data.

MyTax Illinois, IDOR's online account management system, also provides an easy way for taxpayers to pay the amount owed through electronic funds withdrawal. The taxpayer will need to set up a MyTax Illinois account to make a payment.

Note: For additional information on electronic funds transfer, see IDOR's website at tax.illinois.gov.

For EFT payments, taxpayers must submit Form EFT-1, Authorization Agreement for Certain Electronic Payments, as part of the electronic filing registration process. If a participant is already enrolled to make EFT payments, a revised Form EFT-1 is required to add a new tax type to their current registration.

Ways to Participate in Electronic Filing

Electronic filers can perform themselves all of the functions associated with this electronic filing program, or they can use the services of another accepted electronic filer (third party) to participate in the electronic filing program. For example, a participant can be a:

- taxpayer who prepares the electronic return or other document and transmits it directly or otherwise provides it to IDOR using software developed by the taxpayer or a commercial software provider;
- taxpayer who uses the services of a service group or other third party to prepare the electronic return or other document and transmits it or otherwise provides it to IDOR;
- third-party transmitter who takes prepared returns from taxpayers or service groups and transmits them to IDOR directly;
- service group or other third party who prepares electronic returns or other documents and transmits them to IDOR directly; or
- software developer who develops software to
    - format return information to conform with IDOR specifications; and/or
    - transmit to IDOR directly or provide electronic returns to IDOR.

Taxpayers who use service groups or other third parties or agents to electronically file returns or schedules under this program remain responsible for completing their own registration.

Application and Registration for Electronic Filing

All participants must be registered to be accepted into the Illinois tobacco products tax return electronic filing program. This includes licensed distributors, service groups or bureaus, software developers, and any participant who is transmitting directly to IDOR (either for themselves or for others).

To register, complete and sign Form IL-8633-B, Business Electronic Filing Enrollment.

email: REV.IL8633B@illinois.gov

fax: 217 782-7992

Mail to: **ELECTRONIC COMMERCE DIVISION**
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19479
SPRINGFIELD IL 62794-9479

Taxpayers who use service groups or agents to file returns or other documents electronically remain responsible for completing their own registration. Service groups or other third parties or agents cannot complete or sign the enrollment form on behalf of a taxpayer.

Upon acceptance into the program, participants who transmit directly to IDOR via electronic data transmission will be assigned a logon identification (LID) number, a “test” password, and a “production” password. The LID number and passwords are unique for each transmitter and cannot be transferred among participants. The passwords must be kept secure. To access our communications processor, all transmitters must use their LID number and either the test password or the production password.

All electronic filers must successfully complete testing before they will be accepted into the program. Upon successful testing, direct transmitters will receive a production password. We will provide notification of the LID number and test password and instructions about how to receive a production password.

Participants must submit a revised IL-8633-B to IDOR to update the information contained on their most current enrollment form when there are changes involving:

- the taxpayer’s name, the firm name, or doing business as (DBA) name;
- any address, telephone number, or contact representative;
- Federal Employer Identification Number (FEIN), Social Security Number (SSN), or license number;
- the electronic filing functions performed; or
- the taxpayer’s or responsible party’s electronic signature.

For questions regarding electronic filing or enrollment (Form IL-8633-B), contact:

ELECTRONIC COMMERCE DIVISION
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19479
SPRINGFIELD IL 62794-9479

Phone: **217 524-4767** or **866 440-8680** (8:30 a.m. – 5:00 p.m.)
email: rev.excisetaxefp@illinois.gov

Electronic Signatures

All returns filed via electronic data transfer must include an electronic signature that authenticates the taxpayer. Taxpayers must identify their electronic signatures on their electronic filing enrollment forms. The taxpayer, authorized officer, or other individual responsible for filing returns or other documents must also sign the electronic filing enrollment form.

The taxpayer's electronic signature is to be used in lieu of a written signature when filing electronic returns, forms, or other documents with IDOR. The effect of including a valid electronic signature as part of a return transmission has the same legal effect as the taxpayer having signed the returns or other documents.

A return filed via electronic data transfer will be considered unsigned unless the taxpayer's electronic signature is included, and received by IDOR, as part of that transmission.

An electronic signature is considered valid from the time it is registered by IDOR until it expires, unless:

- IDOR receives a written request from the taxpayer to have that taxpayer's electronic signature invalidated. To resume electronic filing, the taxpayer must submit a revised Form IL-8633-B, Business Electronic Filing Enrollment, and identify a new electronic signature.
- The taxpayer submits a revised IL-8633-B and has identified a new electronic signature on that form.
- The taxpayer notifies IDOR that the electronic signature has been compromised. To resume electronic filing, the taxpayer must submit a revised IL-8633-B and identify a new electronic signature.
- The taxpayer's signature authorization has been revoked or suspended.

In addition, for electronic returns and other documents authorized to be filed under this program, a registered electronic signature is valid until the expiration of the corresponding certificate of registration or other certification issued by IDOR to the taxpayer. At that time, the taxpayer must either reconfirm the electronic signature previously selected or select a new electronic signature. Upon the expiration of the taxpayer's electronic signature, any electronically transmitted return and other documents containing the expired code will be considered unsigned.

Acknowledgements

Electronic Data Transfer

IDOR will create an acknowledgement (ACK) record for each return filed via electronic data transmission. Each ACK record will indicate one of the following:

- Accepted
- Accepted with errors
- Rejected
- Transmission rejection

Returns that are accepted with errors will be processed as filed. However, for returns that are rejected for any reason, a corrected file containing the returns and associated headers and trailers must be transmitted.

When a transmission rejection is returned via the acknowledgement file, the entire transmission must be retransmitted after corrections are made. None of these returns are considered filed or accepted.

Responsibilities

Electronic Filers

All electronic filers must comply with all of the requirements and specifications set forth by IDOR in this implementation guide and 86 Illinois Administrative Code Part 760 and must keep records equivalent to the level of detail contained in an acceptable paper record. See 86 Illinois Administrative Code 660.25.

Also, **electronic filers must . . .**

- ensure that electronic returns or other electronic documents are filed with IDOR in a timely manner;
- include both return and/or schedule data and electronic signature in the same file;
- ensure their own security and confidentiality of all transmitted data;
- make transmissions and retrieve acknowledgements in a timely manner (Acknowledgement records for returns filed via electronic data transfer will normally be available from IDOR within 10 minutes after the transmission is received. **Note: It is important for electronic filers to review the acknowledgement records to ensure their returns were filed or to modify rejected returns and retransmit.**);
- match acknowledgement records to the original transmission files (Returns acknowledged as accepted with a detailed acknowledgement from IDOR will be considered filed returns. Returns acknowledged as rejected must be corrected and retransmitted, if possible. If the return cannot be retransmitted contact the Alcohol, Tobacco, and Fuel Division for resolution.);
- immediately contact the Electronic Commerce Division if an acknowledgement record has not been available after 24 hours from the transmission of the return; and
- contact the Electronic Commerce Division for assistance if returns have been rejected after three attempts or if acknowledgements are received for returns that were not in the original transmissions.

Also, **electronic filers must *not* . . .**

- use software that has an assigned production password built into the software; or
- recall or intercept electronically filed returns or other documents after they have been acknowledged as accepted in a detailed acknowledgement record sent from IDOR. (If the taxpayer wishes to amend any accepted electronically filed return, an amended return must be electronically filed with IDOR. See **How to file an amended return electronically** on page 10 below.)

Taxpayers

Taxpayers are responsible for retaining copies of all the acknowledgement records received from IDOR or third-party transmitters. These may be retained on magnetic media. Taxpayers must retain all copies of the acknowledgement files received from IDOR for as long as the taxpayer would be required to keep tax records in a paper format.

Electronic filers who provide transmission services

Electronic filers who provide transmission services to other electronic filers must:

- accept electronic returns or other documents for transmission to IDOR only from electronic filers accepted in this program;
- provide each of their clients with the acknowledgement records for their transmissions within 24 hours after the availability of the acknowledgement from IDOR; and
- retain copies of all acknowledgement records received from IDOR for one year from the date of receipt.

Copies of acknowledgement records may be retained on magnetic media.

Electronic filers who are software developers

Electronic filers who are software developers must:

- correct any software errors quickly to ensure timely transmission of electronic returns or other documents;
- expeditiously distribute any corrections to all electronic filers utilizing their software; and
- not incorporate into its software an IDOR-assigned production password.

Monitoring and Suspension

IDOR monitors the quality of electronic transmissions. If the quality is unacceptable, IDOR will contact the electronic filer, software developer, or transmitter. IDOR also monitors complaints about electronic filers and issues warning or suspension letters as appropriate. IDOR reserves the right to suspend the electronic filing privilege of any electronic filer, software developer, or transmitter who varies from the requirements, specifications, and procedures stated in this guide and 86 Illinois Administrative Code Part 760 or who does not consistently transmit error-free returns. When suspended, the electronic filer, software developer, or transmitter will be advised of the requirements for reinstatement into the program.

General Information

How to file an amended return electronically

1) Correct the errors in the return you sent to us originally by doing the following:
   a) Replace invalid license number, tax period, or date fields that are in error with the correct information. (You can replace the information with the correct data, but you cannot blank it out.)
   Note: If the file you sent originally had the wrong license number or tax period, be sure to complete the Amended Return Information form on page 11 below. Include the correct license number and tax period at the top of the form and the incorrect license number or tax period in the space provided under the "Reasons" section.
   b) Replace any other field in error with the correct information — or if it is a numeric field and should have been blank, zero fill.
   c) Delete any records that should not have been sent the first time
   d) Add any records that were left out the first time
2) Put a "1" in the **"**AMENDED?" field of the electronic tax return record.
   Note: You must put the "1" into the "AMENDED?" field when you file an amended return electronically. If you leave the "1" out, the system will add the new return to the existing returns you sent in error instead of replacing the information that was wrong.
3) File the entire corrected file electronically.

How to file a protested return electronically

1) Send the appropriate legal documentation to:

    REVENUE ACCOUNTING DIVISION — MC 2-231
    ILLINOIS DEPARTMENT OF REVENUE
    101 W JEFFERSON ST
    SPRINGFIELD, IL 62702

2) Be sure the documentation you send to the Revenue Accounting Division includes the license number, the tax period, and the dollar amount being protested.
3) Submit the electronic return and schedules file to IDOR as you would normally.

How to change your address

1) Complete Form REG-3-C, Business Information Update, and send it to our Central Registration Division. Mail or fax a copy of the completed form to:

CENTRAL REGISTRATION DIVISION
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19030
SPRINGFIELD, IL 62794-9030

Fax: **217 785-6013**

2) Put a “1” into the “ADDRESS CHANGE?” field in the electronic return record.
3) Submit the return and schedules file to IDOR as you would normally.

Who to Contact with Questions or Problems

General questions regarding tobacco products tax:

Alcohol, Tobacco and Fuel Division
217 782-6045 (Weekdays 8:00 a.m. – 4:00 p.m., except for legal holidays)

email: rev.atp-mfr@illinois.gov

Questions regarding record layout and acknowledgement:

Electronic Commerce Division
217 524-4767 or **866 440-8680** (Weekdays 8:30 a.m. – 5:00 p.m., except for legal holidays)

email: rev.excisetaxefp@illinois.gov

Technical Questions or system failures – Illinois Gateway

Electronic Commerce Support
Email: rev.ecstech@illinois.gov
Please include in the subject line of your email "Illinois Gateway questions" in order to serve you better.

Communications Information

The HttpsPost Utility Program transfers files to and from the Illinois Department of Revenue's Gateway server via the Internet using Secure Socket Layer (SSL) technology. The utility runs as a stand-alone application. The utility supports both a graphical user interface (GUI) mode of operation, as well as a command line mode suitable for batch processing. Installation consists in copying the executable file, HttpsPost.exe, to an empty directory or folder. For convenience in launching the application in its GUI mode, place shortcuts to the executable on the desktop or in the START menu. Simply launching the executable without command line arguments starts the application in its GUI mode.

You can download a free copy of this utility program at tax.illinois.gov/ElectronicServices/HttpsPost.exe and its complete instructions and documentation at tax.illinois.gov/ElectronicServices/HttpsPost.pdf. You may also use your own program for transmitting files if you choose.

Record Layout Formatting

Record Ordering

Each file you submit must follow the prescribed ordering scheme. The first record for each return in the transmission file must be a header record, followed immediately by the return record. Schedule records then follow the return record and should be in sequential order. The last record must be the end of file record. Transmission files that are not properly ordered may be rejected.

SSN, FEIN, Account ID, and License Numbers

You must enter the entire SSN, FEIN, account ID, or license number, excluding special characters, such as hyphens, slashes, or dashes, and with no embedded spaces. Please left justify, right space fill. Include leading zeros, if they are part of the number.

Examples: FEIN 37-0987654, the field should have "370987654"
SSN 012-34-5678, the field should have "012345678"
Account ID 1234-5678, the field should have "12345678"
License number TP-01234, the field should have "TP01234"

Money Amount Fields

Money amount fields are 13 bytes with the decimal implied two positions from the right. Please right justify and include leading zeroes if there is an amount to enter. Do not enter the decimal point. Zero-fill if the field is not needed. Negative values are not allowed.

Examples: For $12,345,678,901.12, the field should have "1234567890112"
For $123.45, the field should have "0000000012345"
For $0.00, the field should be zero-filled, "0000000000000"

Ounce Amount Fields

All ounce amount fields are 13-bytes with the decimal implied two positions from the right. Please right justify and include leading zeroes if there is an amount to enter. Do not enter the decimal point. Zero-fill if the field is not needed. Negative values are not allowed.

Examples: For 12,345,678,901.00 ounces, the field should have "1234567890100"
For 123.45 ounces, the field should have "0000000012345"
For 1234.674 ounces, the number of ounces should be rounded down to "0000000123467"
For 1234.675 ounces, the number of ounces should be rounded up to "0000000123468"
For 0 ounces, the field should be zero-filled, "0000000000000"

ZIP Code Field

The ZIP code field must contain the ZIP code in the first five positions and the extended ZIP (or ZIP +4) code in the last four. If you know the five-digit ZIP code but not the +4, enter the five-digit ZIP code followed by four spaces. If you do not know the ZIP code, leave the entire field blank (space-filled).

Examples: For a ZIP code of 62341-3980, the field should have "623413980"
For a ZIP code of 62341, the field should have "62341   "
For an unknown ZIP code, the field should be space-filled.

Invoice Number Fields

Invoice number fields must contain the entire invoice number (letters and numbers), excluding special characters such as dashes, underscores, slashes etc, and with no embedded spaces. Please left justify, right space fill. Please space-fill the field if the invoice number is not known.

Examples: For Invoice number "A-0012-34", the field should have "A001234"
If the invoice number is unknown, the field should be space-filled.

Dates

Full date fields must be entered in month/day/year format. Make the year a 4-position year. Please space fill the field if the date is not known. Other dates, such as the tax period, do not require the day. In this case, simply enter the year and month. (The record layouts will tell you which format to use. C — century, Y — year, M — month, D — day.)

Examples: For January 25, 2016, the field would be in the record as "01252016".
For the tax period type of date, the field would be "201601".
For an unknown date, *if the date is not a required field*, the field would be blank (space-filled).

Header Record and Acknowledgements

Header record

A header record must be included at the beginning of the records to tell our programs the type of work contained in the records that follow. Each electronic transmission can include any one or more of two different "types" of work:

1 TP-1 returns with the attached schedules
2 TP-1-X returns with the attached schedules

Include one header record at the beginning of each different type of work and every time the liability period changes. If you file more than one return at a time or for more than one company at a time, as a service group would, you must include a header at the beginning of each return.

Acknowledgement (ACK) file

The ACK file is posted for pickup by the transmitter after we have received the electronic file. It is created to confirm that we have received the file and to list errors that must be corrected before the data is sent again. The ACK file consists of a number of record types. The first record is the header record you sent us with the exception of the type of transmission indicator field. This field is replaced with a "T" for test or "P" for production, depending on the file transmitted. If you sent more than one type, you will have one header record returned for each type you sent. The last record is an end of file record.

After each header record, you may have one or more ACK records, each followed by all Acknowledgement Error (ACR) records associated with it. If a return or schedule is accepted, you will have an ACK record with an "A" in the acceptance code. No ACR records will follow it. If the file is rejected due to an invalid header format or an interrupted or incomplete transmission, you will receive an ACK record with a "T" in the acceptance code and the words "BAD TRANSMISSION" in Columns 17 – 32. If the file is rejected due to our record count not matching the "Total Number of Records" field in your end of file record, you will receive an ACK record with a "T" in the Acceptance Code and the words "OUT OF BALANCE" in Columns 17 – 32. If it is rejected for other reasons or accepted with errors, you will have an ACK record with an "R" or an "E" in the Acceptance Code followed by one ACR record for each record in your file that requires correction. We list only the first 50 error codes per record in error.

Files with transmission rejection ("T" in the Acceptance code) must be corrected and retransmitted because none of the returns or debits were accepted. Rejected returns or debits ("R" in the Acceptance code) must be corrected and reassembled into a new file with appropriate headers and trailers because they were not accepted for processing.

You will get one acknowledgement for each return (including attached schedules) filed for each taxpayer or liability.

If a return is rejected, all records for that return are rejected, including the attached schedules.