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Bulletin

Constance Beard, Director

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Retailers of Cigarettes and Other Tobacco Products Required to Obtain Licenses

This bulletin supersedes FY 2016-03 (N-10/15).

To: All retailers filing Form ST-1, Sales and Use Tax and E911 Surcharge Return, all Cigarette Tax Distributors, Cigarette Use Tax Distributors, Other Tobacco Products Distributors, Secondary Cigarette Distributors, Cigarette Manufacturers, and Cigarette Manufacturer Representatives

As a result of Public Acts 98-1055, 99-78, and 99-192, effective **January 1, 2016**, the Cigarette Tax Act, 35 ILCS 130/1, *et seq.*, and the Tobacco Products Tax Act of 1995, 35 ILCS 143/10-1, *et seq.*, require that all retailers of "cigarettes" as defined in Section 1 of the Cigarette Tax Act and all retailers of "tobacco products" as defined in Section 10-5 of the Tobacco Products Act must be licensed with the Illinois Department of Revenue to make sales of those products.

If I sell both cigarettes and other tobacco products at retail, do I need to obtain licenses under both Acts?
No. Holders of a retailer's license under the Cigarette Tax Act can also legally make sales of other tobacco products.

Note: Retailers licensed only under the Tobacco Products Act cannot legally make sales of cigarettes at retail.

If I sell cigarettes or other tobacco products at retail from more than one site, do I need to obtain licenses for each site?
Yes. Retailers selling cigarettes or other tobacco products from multiple sites must obtain a license for each site where these sales are made.

When must I obtain a license to sell cigarettes and other tobacco products at retail?
Beginning January 1, 2016, no person may engage in the business of selling cigarettes or other tobacco products at retail without first having obtained a license from the Department of Revenue.

How do I obtain a license to sell cigarettes and other tobacco products at retail?

You must submit the license application for each location where you will sell cigarettes and other tobacco products at retail using MyTax Illinois, available on our website at **tax.illinois.gov**.

Is there a fee to obtain a license?

Yes. Retailers must pay an annual license fee of $75 per retail location. This fee must be submitted electronically with your initial license application. The annual renewal fee of $75 also must be submitted electronically using MyTax Illinois.

If I am a licensed secondary distributor of cigarettes, do I need to obtain a separate license to sell cigarettes at retail?

Yes. Licensed secondary distributors of cigarettes also must obtain a cigarette retailer license to continue selling cigarettes at retail.

If I only sell electronic cigarettes at retail, do I need to obtain a license to make these retail sales?

No. Retailers that only sell electronic cigarettes are not required to obtain a cigarette retailer license to continue making these sales.

If I am a cigarette distributor, secondary distributor, tobacco products distributor, or manufacturer representative, what information must I include on invoices to licensed retailers of cigarettes or other tobacco products?

Licensed cigarette distributors, secondary distributors, tobacco products distributors, or manufacturer representatives selling stamped cigarettes or other tobacco products to licensed retailers must ensure that their license numbers are printed on all invoices given to retailers.

Is there a penalty if I sell cigarettes and other tobacco products at retail after January 1, 2016, without obtaining a license?

Yes. The Cigarette Tax Act and the Tobacco Products Tax Act of 1995 provide that a retailer who makes retail sales of cigarettes and other tobacco products after January 1, 2016, without having first obtained a retailer's license is guilty of a Class 4 felony.