



Sen. John J. Cullerton

**Filed: 7/26/2007**

09500HB0556sam002

LRB095 06362 BDD 38266 a

1 AMENDMENT TO HOUSE BILL 556

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 556, AS AMENDED, by  
3 replacing everything after the enacting clause with the  
4 following:

5 "Section 5. The General Obligation Bond Act is amended by  
6 changing Section 14 as follows:

7 (30 ILCS 330/14) (from Ch. 127, par. 664)

8 Sec. 14. Repayment.

9 (a) To provide for the manner of repayment of Bonds, the  
10 Governor shall include an appropriation in each annual State  
11 Budget of monies in such amount as shall be necessary and  
12 sufficient, for the period covered by such budget, to pay the  
13 interest, as it shall accrue, on all Bonds issued under this  
14 Act, to pay and discharge the principal of such Bonds as shall,  
15 by their terms, fall due during such period, and to pay a  
16 premium, if any, on Bonds to be redeemed prior to the maturity

1 date. Amounts included in such appropriations for the payment  
2 of interest on variable rate bonds shall be the maximum amounts  
3 of interest that may be payable for the period covered by the  
4 budget, after taking into account any credits permitted in the  
5 related indenture or other instrument against the amount of  
6 such interest required to be appropriated for such period.  
7 Amounts included in such appropriations for the payment of  
8 interest shall include the amounts certified by the Director of  
9 the Governor's Office of Management and Budget under subsection  
10 (b) of Section 9 of this Act.

11 (b) A separate fund in the State Treasury called the  
12 "General Obligation Bond Retirement and Interest Fund" is  
13 hereby created.

14 (c) The General Assembly shall annually make  
15 appropriations to pay the principal of, interest on, and  
16 premium, if any, on Bonds sold under this Act from the General  
17 Obligation Bond Retirement and Interest Fund. Amounts included  
18 in such appropriations for the payment of interest on variable  
19 rate bonds shall be the maximum amounts of interest that may be  
20 payable during the fiscal year, after taking into account any  
21 credits permitted in the related indenture or other instrument  
22 against the amount of such interest required to be appropriated  
23 for such period. Amounts included in such appropriations for  
24 the payment of interest shall include the amounts certified by  
25 the Director of the Governor's Office of Management and Budget  
26 under subsection (b) of Section 9 of this Act.

1        Beginning October 1, 2007, on the first day of each month,  
2        or as soon thereafter as practical, the State Comptroller shall  
3        direct and the State Treasurer shall transfer, from the General  
4        Revenue Fund to the General Obligation Bond Retirement and  
5        Interest Fund, all amounts that were paid into the General  
6        Revenue Fund in the previous month under Section 2 of the  
7        Cigarette Tax Act from the additional taxes imposed under the  
8        Cigarette Tax Act and the Cigarette Use Tax Act by this  
9        amendatory Act of the 95th General Assembly.

10        If for any reason there are insufficient funds in either  
11        the General Revenue Fund or the Road Fund to make transfers to  
12        the General Obligation Bond Retirement and Interest Fund as  
13        required by Section 15 of this Act, or if for any reason the  
14        General Assembly fails to make appropriations sufficient to pay  
15        the principal of, interest on, and premium, if any, on the  
16        Bonds, as the same by their terms shall become due, this Act  
17        shall constitute an irrevocable and continuing appropriation  
18        of all amounts necessary for that purpose, and the irrevocable  
19        and continuing authority for and direction to the State  
20        Treasurer and the Comptroller to make the necessary transfers,  
21        as directed by the Governor, out of and disbursements from the  
22        revenues and funds of the State.

23        (d) If, because of insufficient funds in either the General  
24        Revenue Fund or the Road Fund, monies have been transferred to  
25        the General Obligation Bond Retirement and Interest Fund, as  
26        required by subsection (c) of this Section, this Act shall

1 constitute the irrevocable and continuing authority for and  
2 direction to the State Treasurer and Comptroller to reimburse  
3 these funds of the State from the General Revenue Fund or the  
4 Road Fund, as appropriate, by transferring, at such times and  
5 in such amounts, as directed by the Governor, an amount to  
6 these funds equal to that transferred from them.

7 (Source: P.A. 93-9, eff. 6-3-03; 94-793, eff. 5-19-06.)

8 Section 10. The Cigarette Tax Act is amended by changing  
9 Section 2 as follows:

10 (35 ILCS 130/2) (from Ch. 120, par. 453.2)

11 Sec. 2. Tax imposed; rate; collection, payment, and  
12 distribution; discount.

13 (a) A tax is imposed upon any person engaged in business as  
14 a retailer of cigarettes in this State at the rate of 5 1/2  
15 mills per cigarette sold, or otherwise disposed of in the  
16 course of such business in this State. In addition to any other  
17 tax imposed by this Act, a tax is imposed upon any person  
18 engaged in business as a retailer of cigarettes in this State  
19 at a rate of 1/2 mill per cigarette sold or otherwise disposed  
20 of in the course of such business in this State on and after  
21 January 1, 1947, and shall be paid into the Metropolitan Fair  
22 and Exposition Authority Reconstruction Fund or as otherwise  
23 provided in Section 29. On and after December 1, 1985, in  
24 addition to any other tax imposed by this Act, a tax is imposed

1 upon any person engaged in business as a retailer of cigarettes  
2 in this State at a rate of 4 mills per cigarette sold or  
3 otherwise disposed of in the course of such business in this  
4 State. Of the additional tax imposed by this amendatory Act of  
5 1985, \$9,000,000 of the moneys received by the Department of  
6 Revenue pursuant to this Act shall be paid each month into the  
7 Common School Fund. On and after the effective date of this  
8 amendatory Act of 1989, in addition to any other tax imposed by  
9 this Act, a tax is imposed upon any person engaged in business  
10 as a retailer of cigarettes at the rate of 5 mills per  
11 cigarette sold or otherwise disposed of in the course of such  
12 business in this State. On and after the effective date of this  
13 amendatory Act of 1993, in addition to any other tax imposed by  
14 this Act, a tax is imposed upon any person engaged in business  
15 as a retailer of cigarettes at the rate of 7 mills per  
16 cigarette sold or otherwise disposed of in the course of such  
17 business in this State. On and after December 15, 1997, in  
18 addition to any other tax imposed by this Act, a tax is imposed  
19 upon any person engaged in business as a retailer of cigarettes  
20 at the rate of 7 mills per cigarette sold or otherwise disposed  
21 of in the course of such business of this State. All of the  
22 moneys received by the Department of Revenue pursuant to this  
23 Act and the Cigarette Use Tax Act from the additional taxes  
24 imposed by this amendatory Act of 1997, shall be paid each  
25 month into the Common School Fund. On and after July 1, 2002,  
26 in addition to any other tax imposed by this Act, a tax is

1 imposed upon any person engaged in business as a retailer of  
2 cigarettes at the rate of 20.0 mills per cigarette sold or  
3 otherwise disposed of in the course of such business in this  
4 State. Beginning on September 1, 2007 in addition to any other  
5 tax imposed by this Act, a tax is imposed upon any person  
6 engaged in business as a retailer of cigarettes at the rate of  
7 37.5 mills per cigarette sold or otherwise disposed of in the  
8 course of such business in this State. All of the moneys  
9 received by the Department of Revenue under this Act and the  
10 Cigarette Use Tax Act from the additional taxes imposed by this  
11 amendatory Act of the 95th General Assembly must be paid each  
12 month into the General Revenue Fund. The payment of such taxes  
13 shall be evidenced by a stamp affixed to each original package  
14 of cigarettes, or an authorized substitute for such stamp  
15 imprinted on each original package of such cigarettes  
16 underneath the sealed transparent outside wrapper of such  
17 original package, as hereinafter provided. However, such taxes  
18 are not imposed upon any activity in such business in  
19 interstate commerce or otherwise, which activity may not under  
20 the Constitution and statutes of the United States be made the  
21 subject of taxation by this State.

22 Beginning on the effective date of this amendatory Act of  
23 the 92nd General Assembly and through June 30, 2006, all of the  
24 moneys received by the Department of Revenue pursuant to this  
25 Act and the Cigarette Use Tax Act, other than the moneys that  
26 are dedicated to the Common School Fund, shall be distributed

1 each month as follows: first, there shall be paid into the  
2 General Revenue Fund an amount which, when added to the amount  
3 paid into the Common School Fund for that month, equals  
4 \$33,300,000, except that in the month of August of 2004, this  
5 amount shall equal \$83,300,000; then, from the moneys  
6 remaining, if any amounts required to be paid into the General  
7 Revenue Fund in previous months remain unpaid, those amounts  
8 shall be paid into the General Revenue Fund; then, beginning on  
9 April 1, 2003, from the moneys remaining, \$5,000,000 per month  
10 shall be paid into the School Infrastructure Fund; then, if any  
11 amounts required to be paid into the School Infrastructure Fund  
12 in previous months remain unpaid, those amounts shall be paid  
13 into the School Infrastructure Fund; then the moneys remaining,  
14 if any, shall be paid into the Long-Term Care Provider Fund. To  
15 the extent that more than \$25,000,000 has been paid into the  
16 General Revenue Fund and Common School Fund per month for the  
17 period of July 1, 1993 through the effective date of this  
18 amendatory Act of 1994 from combined receipts of the Cigarette  
19 Tax Act and the Cigarette Use Tax Act, notwithstanding the  
20 distribution provided in this Section, the Department of  
21 Revenue is hereby directed to adjust the distribution provided  
22 in this Section to increase the next monthly payments to the  
23 Long Term Care Provider Fund by the amount paid to the General  
24 Revenue Fund and Common School Fund in excess of \$25,000,000  
25 per month and to decrease the next monthly payments to the  
26 General Revenue Fund and Common School Fund by that same excess

1 amount.

2 Beginning on July 1, 2006, all of the moneys received by  
3 the Department of Revenue pursuant to this Act and the  
4 Cigarette Use Tax Act, other than the moneys that are dedicated  
5 to the Common School Fund and, beginning on the effective date  
6 of this amendatory Act of 2007, other than the moneys from the  
7 additional taxes imposed by this amendatory Act of the 95th  
8 General Assembly that must be paid each month into the General  
9 Revenue Fund, shall be distributed each month as follows:  
10 first, there shall additionally be paid into the General  
11 Revenue Fund an amount that, when added to the amount paid into  
12 the Common School Fund for that month, equals \$29,200,000;  
13 then, from the moneys remaining, if any amounts required to be  
14 paid into the General Revenue Fund in previous months remain  
15 unpaid, those amounts shall be paid into the General Revenue  
16 Fund; then from the moneys remaining, \$5,000,000 per month  
17 shall be paid into the School Infrastructure Fund; then, if any  
18 amounts required to be paid into the School Infrastructure Fund  
19 in previous months remain unpaid, those amounts shall be paid  
20 into the School Infrastructure Fund; then the moneys remaining,  
21 if any, shall be paid into the Long-Term Care Provider Fund.

22 When any tax imposed herein terminates or has terminated,  
23 distributors who have bought stamps while such tax was in  
24 effect and who therefore paid such tax, but who can show, to  
25 the Department's satisfaction, that they sold the cigarettes to  
26 which they affixed such stamps after such tax had terminated



1 and did not recover the tax or its equivalent from purchasers,  
2 shall be allowed by the Department to take credit for such  
3 absorbed tax against subsequent tax stamp purchases from the  
4 Department by such distributor.

5 The impact of the tax levied by this Act is imposed upon  
6 the retailer and shall be prepaid or pre-collected by the  
7 distributor for the purpose of convenience and facility only,  
8 and the amount of the tax shall be added to the price of the  
9 cigarettes sold by such distributor. Collection of the tax  
10 shall be evidenced by a stamp or stamps affixed to each  
11 original package of cigarettes, as hereinafter provided.

12 Each distributor shall collect the tax from the retailer at  
13 or before the time of the sale, shall affix the stamps as  
14 hereinafter required, and shall remit the tax collected from  
15 retailers to the Department, as hereinafter provided. Any  
16 distributor who fails to properly collect and pay the tax  
17 imposed by this Act shall be liable for the tax. Any  
18 distributor having cigarettes to which stamps have been affixed  
19 in his possession for sale on the effective date of this  
20 amendatory Act of 1989 shall not be required to pay the  
21 additional tax imposed by this amendatory Act of 1989 on such  
22 stamped cigarettes. Any distributor having cigarettes to which  
23 stamps have been affixed in his or her possession for sale at  
24 12:01 a.m. on the effective date of this amendatory Act of  
25 1993, is required to pay the additional tax imposed by this  
26 amendatory Act of 1993 on such stamped cigarettes. This

1 payment, less the discount provided in subsection (b), shall be  
2 due when the distributor first makes a purchase of cigarette  
3 tax stamps after the effective date of this amendatory Act of  
4 1993, or on the first due date of a return under this Act after  
5 the effective date of this amendatory Act of 1993, whichever  
6 occurs first. Any distributor having cigarettes to which stamps  
7 have been affixed in his possession for sale on December 15,  
8 1997 shall not be required to pay the additional tax imposed by  
9 this amendatory Act of 1997 on such stamped cigarettes.

10 Any distributor having cigarettes to which stamps have been  
11 affixed in his or her possession for sale on July 1, 2002 shall  
12 not be required to pay the additional tax imposed by this  
13 amendatory Act of the 92nd General Assembly on those stamped  
14 cigarettes. Any distributor having cigarettes to which stamps  
15 have been affixed in his or her possession for sale on or after  
16 September 1, 2007 is required to pay the additional tax imposed  
17 by this amendatory Act of the 95th General Assembly on those  
18 stamped cigarettes. This payment, less the discount provided in  
19 subsection (b), is due when the distributor first makes a  
20 purchase of cigarette tax stamps on or after the effective date  
21 of this amendatory Act of the 95th General Assembly or on the  
22 first due date of a return under this Act occurring on or after  
23 the effective date of this amendatory Act of the 95th General  
24 Assembly, whichever occurs first.

25 The amount of the Cigarette Tax imposed by this Act shall  
26 be separately stated, apart from the price of the goods, by

1 both distributors and retailers, in all advertisements, bills  
2 and sales invoices.

3 (b) The distributor shall be required to collect the taxes  
4 provided under paragraph (a) hereof, and, to cover the costs of  
5 such collection, shall be allowed a discount during any year  
6 commencing July 1st and ending the following June 30th in  
7 accordance with the schedule set out hereinbelow, which  
8 discount shall be allowed at the time of purchase of the stamps  
9 when purchase is required by this Act, or at the time when the  
10 tax is remitted to the Department without the purchase of  
11 stamps from the Department when that method of paying the tax  
12 is required or authorized by this Act. Prior to December 1,  
13 1985, a discount equal to  $1\frac{2}{3}\%$  of the amount of the tax up to  
14 and including the first \$700,000 paid hereunder by such  
15 distributor to the Department during any such year;  $1\frac{1}{3}\%$  of  
16 the next \$700,000 of tax or any part thereof, paid hereunder by  
17 such distributor to the Department during any such year; 1% of  
18 the next \$700,000 of tax, or any part thereof, paid hereunder  
19 by such distributor to the Department during any such year, and  
20  $\frac{2}{3}$  of 1% of the amount of any additional tax paid hereunder by  
21 such distributor to the Department during any such year shall  
22 apply. On and after December 1, 1985, a discount equal to 1.75%  
23 of the amount of the tax payable under this Act up to and  
24 including the first \$3,000,000 paid hereunder by such  
25 distributor to the Department during any such year and 1.5% of  
26 the amount of any additional tax paid hereunder by such

1 distributor to the Department during any such year shall apply.

2 Two or more distributors that use a common means of  
3 affixing revenue tax stamps or that are owned or controlled by  
4 the same interests shall be treated as a single distributor for  
5 the purpose of computing the discount.

6 (c) The taxes herein imposed are in addition to all other  
7 occupation or privilege taxes imposed by the State of Illinois,  
8 or by any political subdivision thereof, or by any municipal  
9 corporation.

10 (Source: P.A. 93-839, eff. 7-30-04; 94-91, eff. 7-1-05; 94-839,  
11 eff. 6-6-06.)

12 Section 15. The Cigarette Use Tax Act is amended by  
13 changing Section 2 as follows:

14 (35 ILCS 135/2) (from Ch. 120, par. 453.32)

15 Sec. 2. A tax is imposed upon the privilege of using  
16 cigarettes in this State, at the rate of 6 mills per cigarette  
17 so used. On and after December 1, 1985, in addition to any  
18 other tax imposed by this Act, a tax is imposed upon the  
19 privilege of using cigarettes in this State at a rate of 4  
20 mills per cigarette so used. On and after the effective date of  
21 this amendatory Act of 1989, in addition to any other tax  
22 imposed by this Act, a tax is imposed upon the privilege of  
23 using cigarettes in this State at the rate of 5 mills per  
24 cigarette so used. On and after the effective date of this

1 amendatory Act of 1993, in addition to any other tax imposed by  
2 this Act, a tax is imposed upon the privilege of using  
3 cigarettes in this State at a rate of 7 mills per cigarette so  
4 used. On and after December 15, 1997, in addition to any other  
5 tax imposed by this Act, a tax is imposed upon the privilege of  
6 using cigarettes in this State at a rate of 7 mills per  
7 cigarette so used. On and after July 1, 2002, in addition to  
8 any other tax imposed by this Act, a tax is imposed upon the  
9 privilege of using cigarettes in this State at a rate of 20.0  
10 mills per cigarette so used. Beginning on September 1, 2007, in  
11 addition to any other tax imposed by this Act, a tax is imposed  
12 upon the privilege of using cigarettes in this State at a rate  
13 of 37.5 mills per cigarette so used. The taxes herein imposed  
14 shall be in addition to all other occupation or privilege taxes  
15 imposed by the State of Illinois or by any political  
16 subdivision thereof or by any municipal corporation.

17 When any tax imposed herein terminates or has terminated,  
18 distributors who have bought stamps while such tax was in  
19 effect and who therefore paid such tax, but who can show, to  
20 the Department's satisfaction, that they sold the cigarettes to  
21 which they affixed such stamps after such tax had terminated  
22 and did not recover the tax or its equivalent from purchasers,  
23 shall be allowed by the Department to take credit for such  
24 absorbed tax against subsequent tax stamp purchases from the  
25 Department by such distributors.

26 When the word "tax" is used in this Act, it shall include

1 any tax or tax rate imposed by this Act and shall mean the  
2 singular of "tax" or the plural "taxes" as the context may  
3 require.

4 Any distributor having cigarettes to which stamps have been  
5 affixed in his possession for sale on the effective date of  
6 this amendatory Act of 1989 shall not be required to pay the  
7 additional tax imposed by this amendatory Act of 1989 on such  
8 stamped cigarettes. Any distributor having cigarettes to which  
9 stamps have been affixed in his or her possession for sale at  
10 12:01 a.m. on the effective date of this amendatory Act of  
11 1993, is required to pay the additional tax imposed by this  
12 amendatory Act of 1993 on such stamped cigarettes. This payment  
13 shall be due when the distributor first makes a purchase of  
14 cigarette tax stamps after the effective date of this  
15 amendatory Act of 1993, or on the first due date of a return  
16 under this Act after the effective date of this amendatory Act  
17 of 1993, whichever occurs first. Once a distributor tenders  
18 payment of the additional tax to the Department, the  
19 distributor may purchase stamps from the Department. Any  
20 distributor having cigarettes to which stamps have been affixed  
21 in his possession for sale on December 15, 1997 shall not be  
22 required to pay the additional tax imposed by this amendatory  
23 Act of 1997 on such stamped cigarettes.

24 Any distributor having cigarettes to which stamps have been  
25 affixed in his or her possession for sale on July 1, 2002 shall  
26 not be required to pay the additional tax imposed by this

1 amendatory Act of the 92nd General Assembly on those stamped  
2 cigarettes. Any distributor having cigarettes to which stamps  
3 have been affixed in his or her possession for sale on or after  
4 September 1, 2007 is required to pay the additional tax imposed  
5 by this amendatory Act of the 95th General Assembly on those  
6 stamped cigarettes. This payment is due when the distributor  
7 first makes a purchase of cigarette tax stamps on or after the  
8 effective date of this amendatory Act of the 95th General  
9 Assembly or on the first due date of a return under this Act  
10 occurring on or after the effective date of this amendatory Act  
11 of the 95th General Assembly, whichever occurs first.

12 (Source: P.A. 92-536, eff. 6-6-02.)

13 Section 99. Effective date. This Act takes effect upon  
14 becoming law."