

1 AN ACT concerning State government.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The State Fire Marshal Act is amended by adding  
5 Section 2.7 as follows:

6 (20 ILCS 2905/2.7 new)

7 Sec. 2.7. Small Fire-fighting Equipment Grant Program.

8 (a) The Office shall establish and administer a Small  
9 Fire-fighting Equipment Grant Program to award grants to fire  
10 departments and fire protection districts for the purchase of  
11 small fire-fighting equipment.

12 (b) The Fire Service and Small Equipment Fund is created as  
13 a special fund in the State Treasury. From appropriations, the  
14 Office may expend moneys from the Fund for the grant program  
15 under subsection (a) of this Section. Moneys received for the  
16 purposes of this Section, including, without limitation, tax  
17 proceeds deposited under the Cigarette Tax Act and gifts,  
18 grants, and awards from any public or private entity must be  
19 deposited into the Fund. Any interest earned on moneys in the  
20 Fund must be deposited into the Fund.

21 (c) As used in this Section, "small fire-fighting  
22 equipment" includes, without limitation, turnout gear, air  
23 packs, thermal imaging cameras, jaws of life, and other

1 fire-fighting equipment, as determined by the State Fire  
2 Marshal.

3 (d) The Office shall adopt any rules necessary for the  
4 implementation and administration of this Section.

5 Section 10. The State Finance Act is amended by adding  
6 Section 5.675 and changing Section 8h as follows:

7 (30 ILCS 105/5.675 new)

8 Sec. 5.675. The Fire Service and Small Equipment Fund.

9 (30 ILCS 105/8h)

10 Sec. 8h. Transfers to General Revenue Fund.

11 (a) Except as otherwise provided in this Section and  
12 Section 8n of this Act, and ~~(c), (d), or (e)~~, notwithstanding  
13 any other State law to the contrary, the Governor may, through  
14 June 30, 2007, from time to time direct the State Treasurer and  
15 Comptroller to transfer a specified sum from any fund held by  
16 the State Treasurer to the General Revenue Fund in order to  
17 help defray the State's operating costs for the fiscal year.  
18 The total transfer under this Section from any fund in any  
19 fiscal year shall not exceed the lesser of (i) 8% of the  
20 revenues to be deposited into the fund during that fiscal year  
21 or (ii) an amount that leaves a remaining fund balance of 25%  
22 of the July 1 fund balance of that fiscal year. In fiscal year  
23 2005 only, prior to calculating the July 1, 2004 final

1 balances, the Governor may calculate and direct the State  
2 Treasurer with the Comptroller to transfer additional amounts  
3 determined by applying the formula authorized in Public Act  
4 93-839 to the funds balances on July 1, 2003. No transfer may  
5 be made from a fund under this Section that would have the  
6 effect of reducing the available balance in the fund to an  
7 amount less than the amount remaining unexpended and unreserved  
8 from the total appropriation from that fund estimated to be  
9 expended for that fiscal year. This Section does not apply to  
10 any funds that are restricted by federal law to a specific use,  
11 to any funds in the Motor Fuel Tax Fund, the Intercity  
12 Passenger Rail Fund, the Hospital Provider Fund, the Medicaid  
13 Provider Relief Fund, the Teacher Health Insurance Security  
14 Fund, the Reviewing Court Alternative Dispute Resolution Fund,  
15 the Voters' Guide Fund, the Foreign Language Interpreter Fund,  
16 the Lawyers' Assistance Program Fund, the Supreme Court Federal  
17 Projects Fund, the Supreme Court Special State Projects Fund,  
18 the Supplemental Low-Income Energy Assistance Fund, the Good  
19 Samaritan Energy Trust Fund, the Low-Level Radioactive Waste  
20 Facility Development and Operation Fund, the Horse Racing  
21 Equity Trust Fund, or the Hospital Basic Services Preservation  
22 Fund, or to any funds to which subsection (f) of Section 20-40  
23 of the Nursing and Advanced Practice Nursing Act applies. No  
24 transfers may be made under this Section from the Pet  
25 Population Control Fund. Notwithstanding any other provision  
26 of this Section, for fiscal year 2004, the total transfer under

1 this Section from the Road Fund or the State Construction  
2 Account Fund shall not exceed the lesser of (i) 5% of the  
3 revenues to be deposited into the fund during that fiscal year  
4 or (ii) 25% of the beginning balance in the fund. For fiscal  
5 year 2005 through fiscal year 2007, no amounts may be  
6 transferred under this Section from the Road Fund, the State  
7 Construction Account Fund, the Criminal Justice Information  
8 Systems Trust Fund, the Wireless Service Emergency Fund, or the  
9 Mandatory Arbitration Fund.

10 In determining the available balance in a fund, the  
11 Governor may include receipts, transfers into the fund, and  
12 other resources anticipated to be available in the fund in that  
13 fiscal year.

14 The State Treasurer and Comptroller shall transfer the  
15 amounts designated under this Section as soon as may be  
16 practicable after receiving the direction to transfer from the  
17 Governor.

18 (a-5) Transfers directed to be made under this Section on  
19 or before February 28, 2006 that are still pending on May 19,  
20 2006 (the effective date of Public Act 94-774) ~~this amendatory~~  
21 ~~Act of the 94th General Assembly~~ shall be redirected as  
22 provided in Section 8n of this Act.

23 (b) This Section does not apply to: (i) the Ticket For The  
24 Cure Fund; (ii) any fund established under the Community Senior  
25 Services and Resources Act; or (iii) on or after January 1,  
26 2006 (the effective date of Public Act 94-511), the Child Labor

1 and Day and Temporary Labor Enforcement Fund.

2 (c) This Section does not apply to the Demutualization  
3 Trust Fund established under the Uniform Disposition of  
4 Unclaimed Property Act.

5 (d) This Section does not apply to moneys set aside in the  
6 Illinois State Podiatric Disciplinary Fund for podiatric  
7 scholarships and residency programs under the Podiatric  
8 Scholarship and Residency Act.

9 (e) Subsection (a) does not apply to, and no transfer may  
10 be made under this Section from, the Pension Stabilization  
11 Fund.

12 (f) This Section does not apply to the Fire Service and  
13 Small Equipment Fund, the Fire Truck Revolving Loan Fund, or  
14 the Ambulance Revolving Loan Fund.

15 (Source: P.A. 93-32, eff. 6-20-03; 93-659, eff. 2-3-04; 93-674,  
16 eff. 6-10-04; 93-714, eff. 7-12-04; 93-801, eff. 7-22-04;  
17 93-839, eff. 7-30-04; 93-1054, eff. 11-18-04; 93-1067, eff.  
18 1-15-05; 94-91, eff. 7-1-05; 94-120, eff. 7-6-05; 94-511, eff.  
19 1-1-06; 94-535, eff. 8-10-05; 94-639, eff. 8-22-05; 94-645,  
20 eff. 8-22-05; 94-648, eff. 1-1-06; 94-686, eff. 11-2-05;  
21 94-691, eff. 11-2-05; 94-726, eff. 1-20-06; 94-773, eff.  
22 5-18-06; 94-774, eff. 5-19-06; 94-804, eff. 5-26-06; 94-839,  
23 eff. 6-6-06; revised 6-19-06.)

24 Section 15. The Cigarette Tax Act is amended by changing  
25 Section 2 as follows:

1 (35 ILCS 130/2) (from Ch. 120, par. 453.2)

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

4 (a) A tax is imposed upon any person engaged in business as  
5 a retailer of cigarettes in this State at the rate of 5 1/2  
6 mills per cigarette sold, or otherwise disposed of in the  
7 course of such business in this State. In addition to any other  
8 tax imposed by this Act, a tax is imposed upon any person  
9 engaged in business as a retailer of cigarettes in this State  
10 at a rate of 1/2 mill per cigarette sold or otherwise disposed  
11 of in the course of such business in this State on and after  
12 January 1, 1947, and shall be paid into the Metropolitan Fair  
13 and Exposition Authority Reconstruction Fund or as otherwise  
14 provided in Section 29. On and after December 1, 1985, in  
15 addition to any other tax imposed by this Act, a tax is imposed  
16 upon any person engaged in business as a retailer of cigarettes  
17 in this State at a rate of 4 mills per cigarette sold or  
18 otherwise disposed of in the course of such business in this  
19 State. Of the additional tax imposed by this amendatory Act of  
20 1985, \$9,000,000 of the moneys received by the Department of  
21 Revenue pursuant to this Act shall be paid each month into the  
22 Common School Fund. On and after the effective date of this  
23 amendatory Act of 1989, in addition to any other tax imposed by  
24 this Act, a tax is imposed upon any person engaged in business  
25 as a retailer of cigarettes at the rate of 5 mills per

1 cigarette sold or otherwise disposed of in the course of such  
2 business in this State. On and after the effective date of this  
3 amendatory Act of 1993, in addition to any other tax imposed by  
4 this Act, a tax is imposed upon any person engaged in business  
5 as a retailer of cigarettes at the rate of 7 mills per  
6 cigarette sold or otherwise disposed of in the course of such  
7 business in this State. On and after December 15, 1997, in  
8 addition to any other tax imposed by this Act, a tax is imposed  
9 upon any person engaged in business as a retailer of cigarettes  
10 at the rate of 7 mills per cigarette sold or otherwise disposed  
11 of in the course of such business of this State. All of the  
12 moneys received by the Department of Revenue pursuant to this  
13 Act and the Cigarette Use Tax Act from the additional taxes  
14 imposed by this amendatory Act of 1997, shall be paid each  
15 month into the Common School Fund. On and after July 1, 2002,  
16 in addition to any other tax imposed by this Act, a tax is  
17 imposed upon any person engaged in business as a retailer of  
18 cigarettes at the rate of 20.0 mills per cigarette sold or  
19 otherwise disposed of in the course of such business in this  
20 State. The payment of such taxes shall be evidenced by a stamp  
21 affixed to each original package of cigarettes, or an  
22 authorized substitute for such stamp imprinted on each original  
23 package of such cigarettes underneath the sealed transparent  
24 outside wrapper of such original package, as hereinafter  
25 provided. However, such taxes are not imposed upon any activity  
26 in such business in interstate commerce or otherwise, which

1 activity may not under the Constitution and statutes of the  
2 United States be made the subject of taxation by this State.

3 Beginning on the effective date of this amendatory Act of  
4 the 92nd General Assembly and through June 30, 2006, all of the  
5 moneys received by the Department of Revenue pursuant to this  
6 Act and the Cigarette Use Tax Act, other than the moneys that  
7 are dedicated to the Common School Fund, shall be distributed  
8 each month as follows: first, there shall be paid into the  
9 General Revenue Fund an amount which, when added to the amount  
10 paid into the Common School Fund for that month, equals  
11 \$33,300,000, except that in the month of August of 2004, this  
12 amount shall equal \$83,300,000; then, from the moneys  
13 remaining, if any amounts required to be paid into the General  
14 Revenue Fund in previous months remain unpaid, those amounts  
15 shall be paid into the General Revenue Fund; then, beginning on  
16 April 1, 2003, 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. To  
22 the extent that more than \$25,000,000 has been paid into the  
23 General Revenue Fund and Common School Fund per month for the  
24 period of July 1, 1993 through the effective date of this  
25 amendatory Act of 1994 from combined receipts of the Cigarette  
26 Tax Act and the Cigarette Use Tax Act, notwithstanding the



1 distribution provided in this Section, the Department of  
2 Revenue is hereby directed to adjust the distribution provided  
3 in this Section to increase the next monthly payments to the  
4 Long Term Care Provider Fund by the amount paid to the General  
5 Revenue Fund and Common School Fund in excess of \$25,000,000  
6 per month and to decrease the next monthly payments to the  
7 General Revenue Fund and Common School Fund by that same excess  
8 amount.

9 Beginning on July 1, 2006, all of the moneys received by  
10 the Department of Revenue pursuant to this Act and the  
11 Cigarette Use Tax Act, other than the moneys that are dedicated  
12 to the Common School Fund, shall be distributed each month as  
13 follows: first, there shall be paid into the General Revenue  
14 Fund an amount that, when added to the amount paid into the  
15 Common School Fund for that month, equals \$29,200,000; then  
16 beginning on July 1, 2007, \$480,000 into the Fire Service and  
17 Small Equipment Fund, \$60,000 into the Fire Truck Revolving  
18 Loan Fund, and \$60,000 into the Ambulance Revolving Loan Fund;  
19 then, from the moneys remaining, if any amounts required to be  
20 paid into the General Revenue Fund in previous months remain  
21 unpaid, those amounts shall be paid into the General Revenue  
22 Fund; then from the moneys remaining, \$5,000,000 per month  
23 shall be paid into the School Infrastructure Fund; then, if any  
24 amounts required to be paid into the School Infrastructure Fund  
25 in previous months remain unpaid, those amounts shall be paid  
26 into the School Infrastructure Fund; then the moneys remaining,

1 if any, shall be paid into the Long-Term Care Provider Fund.

2 When any tax imposed herein terminates or has terminated,  
3 distributors who have bought stamps while such tax was in  
4 effect and who therefore paid such tax, but who can show, to  
5 the Department's satisfaction, that they sold the cigarettes to  
6 which they affixed such stamps after such tax had terminated  
7 and did not recover the tax or its equivalent from purchasers,  
8 shall be allowed by the Department to take credit for such  
9 absorbed tax against subsequent tax stamp purchases from the  
10 Department by such distributor.

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

18 Each distributor shall collect the tax from the retailer at  
19 or before the time of the sale, shall affix the stamps as  
20 hereinafter required, and shall remit the tax collected from  
21 retailers to the Department, as hereinafter provided. Any  
22 distributor who fails to properly collect and pay the tax  
23 imposed by this Act shall be liable for the tax. Any  
24 distributor having cigarettes to which stamps have been affixed  
25 in his possession for sale on the effective date of this  
26 amendatory Act of 1989 shall not be required to pay the

1 additional tax imposed by this amendatory Act of 1989 on such  
2 stamped cigarettes. Any distributor having cigarettes to which  
3 stamps have been affixed in his or her possession for sale at  
4 12:01 a.m. on the effective date of this amendatory Act of  
5 1993, is required to pay the additional tax imposed by this  
6 amendatory Act of 1993 on such stamped cigarettes. This  
7 payment, less the discount provided in subsection (b), shall be  
8 due when the distributor first makes a purchase of cigarette  
9 tax stamps after the effective date of this amendatory Act of  
10 1993, or on the first due date of a return under this Act after  
11 the effective date of this amendatory Act of 1993, whichever  
12 occurs first. Any distributor having cigarettes to which stamps  
13 have been affixed in his possession for sale on December 15,  
14 1997 shall not be required to pay the additional tax imposed by  
15 this amendatory Act of 1997 on such stamped cigarettes.

16 Any distributor having cigarettes to which stamps have been  
17 affixed in his or her possession for sale on July 1, 2002 shall  
18 not be required to pay the additional tax imposed by this  
19 amendatory Act of the 92nd General Assembly on those stamped  
20 cigarettes.

21 The amount of the Cigarette Tax imposed by this Act shall  
22 be separately stated, apart from the price of the goods, by  
23 both distributors and retailers, in all advertisements, bills  
24 and sales invoices.

25 (b) The distributor shall be required to collect the taxes  
26 provided under paragraph (a) hereof, and, to cover the costs of

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

24 Two or more distributors that use a common means of  
25 affixing revenue tax stamps or that are owned or controlled by  
26 the same interests shall be treated as a single distributor for

1 the purpose of computing the discount.

2 (c) The taxes herein imposed are in addition to all other  
3 occupation or privilege taxes imposed by the State of Illinois,  
4 or by any political subdivision thereof, or by any municipal  
5 corporation.

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

8 Section 99. Effective date. This Act takes effect July 1,  
9 2007.