

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 as follows:

7 (30 ILCS 105/5.675 new)

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

9 Section 15. The Cigarette Tax Act is amended by changing  
10 Section 2 as follows:

11 (35 ILCS 130/2) (from Ch. 120, par. 453.2)

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

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

1 and Exposition Authority Reconstruction Fund or as otherwise  
2 provided in Section 29. On and after December 1, 1985, in  
3 addition to any other tax imposed by this Act, a tax is imposed  
4 upon any person engaged in business as a retailer of cigarettes  
5 in this State at a rate of 4 mills per cigarette sold or  
6 otherwise disposed of in the course of such business in this  
7 State. Of the additional tax imposed by this amendatory Act of  
8 1985, \$9,000,000 of the moneys received by the Department of  
9 Revenue pursuant to this Act shall be paid each month into the  
10 Common School Fund. On and after the effective date of this  
11 amendatory Act of 1989, in addition to any other tax imposed by  
12 this Act, a tax is imposed upon any person engaged in business  
13 as a retailer of cigarettes at the rate of 5 mills per  
14 cigarette sold or otherwise disposed of in the course of such  
15 business in this State. On and after the effective date of this  
16 amendatory Act of 1993, in addition to any other tax imposed by  
17 this Act, a tax is imposed upon any person engaged in business  
18 as a retailer of cigarettes at the rate of 7 mills per  
19 cigarette sold or otherwise disposed of in the course of such  
20 business in this State. On and after December 15, 1997, in  
21 addition to any other tax imposed by this Act, a tax is imposed  
22 upon any person engaged in business as a retailer of cigarettes  
23 at the rate of 7 mills per cigarette sold or otherwise disposed  
24 of in the course of such business of this State. All of the  
25 moneys received by the Department of Revenue pursuant to this  
26 Act and the Cigarette Use Tax Act from the additional taxes

1 imposed by this amendatory Act of 1997, shall be paid each  
2 month into the Common School Fund. On and after July 1, 2002,  
3 in addition to any other tax imposed by this Act, a tax is  
4 imposed upon any person engaged in business as a retailer of  
5 cigarettes at the rate of 20.0 mills per cigarette sold or  
6 otherwise disposed of in the course of such business in this  
7 State. The payment of such taxes shall be evidenced by a stamp  
8 affixed to each original package of cigarettes, or an  
9 authorized substitute for such stamp imprinted on each original  
10 package of such cigarettes underneath the sealed transparent  
11 outside wrapper of such original package, as hereinafter  
12 provided. However, such taxes are not imposed upon any activity  
13 in such business in interstate commerce or otherwise, which  
14 activity may not under the Constitution and statutes of the  
15 United States be made the subject of taxation by this State.

16 Beginning on the effective date of this amendatory Act of  
17 the 92nd General Assembly and through June 30, 2006, all of the  
18 moneys received by the Department of Revenue pursuant to this  
19 Act and the Cigarette Use Tax Act, other than the moneys that  
20 are dedicated to the Common School Fund, shall be distributed  
21 each month as follows: first, there shall be paid into the  
22 General Revenue Fund an amount which, when added to the amount  
23 paid into the Common School Fund for that month, equals  
24 \$33,300,000, except that in the month of August of 2004, this  
25 amount shall equal \$83,300,000; then, from the moneys  
26 remaining, if any amounts required to be paid into the General

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

22 Beginning on July 1, 2006, all of the moneys received by  
23 the Department of Revenue pursuant to this Act and the  
24 Cigarette Use Tax Act, other than the moneys that are dedicated  
25 to the Common School Fund, shall be distributed each month as  
26 follows: first, there shall be paid into the General Revenue

1 Fund an amount that, when added to the amount paid into the  
2 Common School Fund for that month, equals \$29,200,000; then  
3 beginning on July 1, 2007, \$480,000 into the Fire Service and  
4 Small Equipment Fund, \$60,000 into the Fire Truck Revolving  
5 Loan Fund, and \$60,000 into the Ambulance Revolving Loan Fund;  
6 then, from the moneys remaining, if any amounts required to be  
7 paid into the General Revenue Fund in previous months remain  
8 unpaid, those amounts shall be paid into the General Revenue  
9 Fund; then 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.

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

24 The impact of the tax levied by this Act is imposed upon  
25 the retailer and shall be prepaid or pre-collected by the  
26 distributor for the purpose of convenience and facility only,

1 and the amount of the tax shall be added to the price of the  
2 cigarettes sold by such distributor. Collection of the tax  
3 shall be evidenced by a stamp or stamps affixed to each  
4 original package of cigarettes, as hereinafter provided.

5 Each distributor shall collect the tax from the retailer at  
6 or before the time of the sale, shall affix the stamps as  
7 hereinafter required, and shall remit the tax collected from  
8 retailers to the Department, as hereinafter provided. Any  
9 distributor who fails to properly collect and pay the tax  
10 imposed by this Act shall be liable for the tax. Any  
11 distributor having cigarettes to which stamps have been affixed  
12 in his possession for sale on the effective date of this  
13 amendatory Act of 1989 shall not be required to pay the  
14 additional tax imposed by this amendatory Act of 1989 on such  
15 stamped cigarettes. Any distributor having cigarettes to which  
16 stamps have been affixed in his or her possession for sale at  
17 12:01 a.m. on the effective date of this amendatory Act of  
18 1993, is required to pay the additional tax imposed by this  
19 amendatory Act of 1993 on such stamped cigarettes. This  
20 payment, less the discount provided in subsection (b), shall be  
21 due when the distributor first makes a purchase of cigarette  
22 tax stamps after the effective date of this amendatory Act of  
23 1993, or on the first due date of a return under this Act after  
24 the effective date of this amendatory Act of 1993, whichever  
25 occurs first. Any distributor having cigarettes to which stamps  
26 have been affixed in his possession for sale on December 15,

1 1997 shall not be required to pay the additional tax imposed by  
2 this amendatory Act of 1997 on such stamped cigarettes.

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

8 The amount of the Cigarette Tax imposed by this Act shall  
9 be separately stated, apart from the price of the goods, by  
10 both distributors and retailers, in all advertisements, bills  
11 and sales invoices.

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



1 the next \$700,000 of tax, or any part thereof, paid hereunder  
2 by such distributor to the Department during any such year, and  
3 2/3 of 1% of the amount of any additional tax paid hereunder by  
4 such distributor to the Department during any such year shall  
5 apply. On and after December 1, 1985, a discount equal to 1.75%  
6 of the amount of the tax payable under this Act up to and  
7 including the first \$3,000,000 paid hereunder by such  
8 distributor to the Department during any such year and 1.5% of  
9 the amount of any additional tax paid hereunder by such  
10 distributor to the Department during any such year shall apply.

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

15 (c) The taxes herein imposed are in addition to all other  
16 occupation or privilege taxes imposed by the State of Illinois,  
17 or by any political subdivision thereof, or by any municipal  
18 corporation.

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

21 Section 99. Effective date. This Act takes effect July 1,  
22 2007.