



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB1196

Introduced 2/11/2009, by Rep. Karen A. Yarbrough

SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.719 new
30 ILCS 105/6z-76 new
35 ILCS 143/10-10

Amends the Tobacco Products Tax Act of 1995. Increases the rate of the tax from 18% to 40% beginning on September 1, 2009. Provides that, beginning on October 15, 2009, 45% of the moneys received by the Department under the Act shall be paid into the Long-Term Care Provider Fund and 55% of the moneys received by the Department under the Act shall be paid into the Healthcare Provider Relief Fund (now, all of the moneys are paid into the Long-Term Care Provider Fund). Amends the State Finance Act to create the Healthcare Provider Relief Fund. Provides that moneys in the Fund may be used by the Department of Healthcare and Family Services only for the purpose of making reimbursements to providers of goods or services under certain medical assistance programs. Effective immediately.

LRB096 03641 HLH 13669 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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

4 Section 5. The State Finance Act is amended by adding
5 Sections 5.719 and 6z-76 as follows:

6 (30 ILCS 105/5.719 new)

7 Sec. 5.719. The Healthcare Provider Relief Fund.

8 (30 ILCS 105/6z-76 new)

9 Sec. 6z-76. The Healthcare Provider Relief Fund. The
10 Healthcare Provider Relief Fund is created as a special fund in
11 the State treasury. Moneys in the Fund may be used, subject to
12 appropriation, by the Department of Healthcare and Family
13 Services only for the purpose of making reimbursements to
14 providers of goods or services under the medical assistance
15 program under Article V of the Illinois Public Aid Code, the
16 Children's Health Insurance Program Act, the Covering All Kids
17 Health Insurance Act, and the pharmaceutical assistance
18 program under the Senior Citizens and Disabled Persons Property
19 Tax Relief and Pharmaceutical Assistance Act. The Department
20 shall make all such reimbursements from the Fund in the order
21 that claims for those reimbursements were received by the
22 Department.

1 Any interest earnings that are attributable to moneys in
2 the Fund must be deposited into the Fund.

3 The Healthcare Provider Relief Fund is not subject to
4 sweeps, administrative charges, or charge-backs, including but
5 not limited to, those authorized under Section 8h of the State
6 Finance Act, or any other fiscal or budgetary maneuver that
7 would in any way transfer any funds from the Healthcare
8 Provider Relief Fund into any other fund of the State.

9 Section 10. The Tobacco Products Tax Act of 1995 is amended
10 by changing Section 10-10 as follows:

11 (35 ILCS 143/10-10)

12 Sec. 10-10. Tax imposed. On the first day of the third
13 month after the month in which this Act becomes law and through
14 August 31, 2009, a tax is imposed on any person engaged in
15 business as a distributor of tobacco products, as defined in
16 Section 10-5, at the rate of 18% of the wholesale price of
17 tobacco products sold or otherwise disposed of to retailers or
18 consumers located in this State. Beginning on September 1,
19 2009, the tax shall be imposed at the rate of 40% of the
20 wholesale price of tobacco products sold or otherwise disposed
21 of to retailers or consumers located in this State. The tax is
22 in addition to all other occupation or privilege taxes imposed
23 by the State of Illinois, by any political subdivision thereof,
24 or by any municipal corporation. However, the tax is not

1 imposed upon any activity in that business in interstate
2 commerce or otherwise, to the extent to which that activity may
3 not, under the Constitution and Statutes of the United States,
4 be made the subject of taxation by this State. The tax is also
5 not imposed on sales made to the United States or any entity
6 thereof.

7 For returns due before October 15, 2009, all ~~All~~ moneys
8 received by the Department under this Act shall be paid into
9 the Long-Term Care Provider Fund of the State Treasury. For
10 returns due on or after October 15, 2009, 45% of the moneys
11 received by the Department under this Act shall be paid into
12 the Long-Term Care Provider Fund and 55% of the moneys received
13 by the Department under this Act shall be paid into the
14 Healthcare Provider Relief Fund.

15 (Source: P.A. 92-231, eff. 8-2-01.)

16 Section 99. Effective date. This Act takes effect upon
17 becoming law.