

PROPOSED AMENDMENT TO FILE 15-6025

(Finance Committee 11-13-15)

Changes shown in bold with double strikeouts and underlines

Sponsored by: LARRY SUFFREDIN, County Commissioner

PROPOSED ORDINANCE AMENDMENT

TOBACCO TAX ORDINANCE

BE IT ORDAINED, by the Cook County Board of Commissioners, that Chapter 74, Taxation, Article XI, Tobacco Tax, Sections 74-430 through 74-450 of the Cook County Code is hereby amended as Follows:

Sec. 74-433. - Tax imposed; cigarettes, other tobacco products; collection; remittance.

- (a) *Cigarette Tax rate.* A tax at the rate of 150 mils or \$0.15 per cigarette is hereby imposed upon all cigarettes possessed for sale and upon the use of all cigarettes within the County of Cook, the ultimate incidence of and liability for payment of said tax to be borne by the consumer of said cigarettes. The tax imposed hereby at the rate of 150 mils or \$0.15 per cigarette shall become in force and effect on March 1, 2013. The tax herein levied shall be in addition to any and all other taxes.
- (b) *Cigarette Tax stamp purchases.* The tax imposed in this Section shall be paid by purchase of tax stamps from the Department, except as otherwise provided in Subsections 74-446(a) and (b) of this Article. The Department shall only sell Cook County cigarette tax stamps to cigarette distributors who are licensed with the State of Illinois. It shall be the duty of every wholesale tobacco dealer, before delivering or causing to be delivered any cigarettes to a retail tobacco dealer in the County of Cook to purchase from the Department a tax stamp for each package of cigarettes and to cancel said stamps prior to the delivery of such cigarettes to any retail tobacco dealer in the County of Cook. Said stamps shall be affixed and cancelled in the manner prescribed by rules and regulations of the Department.
- (c) *Retail cigarette manufacturer tax rate.* A tax at the rate of \$0.15 per cigarette is hereby imposed upon each cigarette sold by a retail cigarette manufacturer. The tax herein levied shall be in addition to any and all other taxes.
- (d) *Other tobacco product tax rate.* A tax at the rates specified in this Section is hereby imposed upon the sale of all Other Tobacco Products within the County of Cook, the ultimate incidence of and liability for payment of said tax to be borne by the Consumer of said Other Tobacco Products. The tax imposed hereby at the rates listed in Subsection (1) shall come into force and effect on March 1, 2012 and Subsection (2) on January 1, 2013.
 - (1) A tax at the following rates is hereby imposed upon the sale of the following products through December 31, 2012:
 - a. Smoking tobacco: \$0.30 per ounce or fraction thereof.
 - b. Smokeless tobacco: \$0.30 per ounce or fraction thereof.
 - c. Little cigars: \$0.05 per unit or cigar.

- d. Large cigars: \$0.25 per unit or cigar.
- (2) A tax at the following rates is hereby imposed upon the sale of the following products effective January 1, 2013:
- a. Smoking tobacco: \$0.60 per ounce or fraction thereof.
 - b. Smokeless tobacco: \$0.60 per ounce or fraction thereof.
 - c. Little cigars: \$0.05 per unit or cigar.
 - d. Large cigars: \$0.30 per unit or cigar.
- (e) Consumable Product tax rate. Effective May 1, 2016, a tax at the rate of ~~\$0.20~~ \$0.40 per fluid milliliter is hereby imposed upon Consumable Products sold within the County of Cook. All invoices for vapor products issued by manufacturers and/or wholesalers must state the amount of Consumable Products in milliliters. The ultimate incidence of and liability for payment of said tax is to be borne by the Consumer of such Consumable Products.
- (f) Wholesale Tobacco Dealer, Retail Tobacco Dealer and Retail Cigarette Manufacturer Tax collection. Any wholesale tobacco dealer shall collect the tax levied by this Article from any Purchaser to whom the sale of said cigarettes, ~~and/or~~ Other Tobacco Products, and/or Consumable Products is made within the County of Cook and shall remit to the County the tax levied by this Article. Any retail tobacco dealer and retail cigarette manufacturer also shall collect the tax from any Consumer to whom the sale of said cigarettes, ~~and/or~~ Other Tobacco Products, and/or Consumable Products is made within the County of Cook. Any such tax shall be collected as a trustee for and on account of the County of Cook. Nothing in this Article shall be construed to impose a tax upon the occupation of wholesale tobacco dealer, retail tobacco dealer, and retail cigarette manufacturer.
- (fg) Other Tobacco Products and Consumable Products Tax remittance.
- (1) Wholesale Tobacco Dealers. It shall be the duty of every wholesale tobacco dealer to remit the tax due on the sales of Other Tobacco Products and Consumable Products to retail tobacco dealers; and/or retail cigarette manufacturers ~~and/or consumers~~ in Cook County on forms prescribed by the Department, on or before the twentieth day of the month following the month in which the sales of Other Tobacco Products and/or Consumable Products occurred.
 - (2) Retail Cigarette Manufacturers. It shall be the duty of every retail cigarette manufacturer to remit the tax due on cigarettes produced and sold on the premises, on forms prescribed by the Department, on or before the twentieth day of the month following the month in which the cigarette sales occurred.
 - (3) Retail tobacco dealers and/or retail cigarette manufacturers untaxed Other Tobacco Products and Consumable Products. It shall be the duty of every retail tobacco dealer and/or retail cigarette manufacturer that purchases or acquires Other Tobacco Products and/or Consumable Products on which the tax set forth in this Article ~~on Other Tobacco Products~~ has not been paid, to remit the tax due, on forms prescribed by the Department, on or before the twentieth day following the month in which the Other Tobacco Products and/or Consumable Products for which taxes were not paid were sold in Cook County to a consumer.

- (~~g~~h) Tax included in sales price. It shall be deemed a violation of this Article for a wholesale tobacco dealer, retail tobacco dealer or retail cigarette manufacturer to fail to include the tax imposed in this Article in the sale price of cigarettes, ~~and~~ other tobacco products, and Consumable Products to otherwise absorb such tax. The tax levied in this Article shall be in addition to any and all other taxes.
- (~~h~~i) *Tax debt owed to County*. The tax required in this Article to be remitted to the County shall constitute a debt owed by any wholesale tobacco dealer, retail tobacco dealer or retail cigarette manufacturer.

Effective date: This ordinance shall be in effect immediately upon adoption