



Changes to Cigarette Tax and Tobacco Products Tax
Informational Bulletin

April 2002

Glen L. Bower
Director of Revenue

For information
or forms...

- ◆ Call us at:
217 785-2622
- ◆ Call our TDD
(telecommunications device
for the deaf) at:
1 800 544-5304
- ◆ Write us at:
Illinois Department of Revenue
P.O. Box 19044
Springfield, IL 62794-9044
- ◆ Visit our Web site at:
www.ILtax.com
- ◆ Call
"Illinois Tax Fax," our
fax-on-demand service, at:
217 785-3400
- ◆ Call
our 24-hour
Forms Order Line at:
1 800 356-6302

To:

Filers of Form TP-1, Form RC-1-A, Form RC-6, and RC-6-A

Beginning October 1, 2002, if you file Form TP-1, Tobacco Products Tax Return, and have an annual tax liability of \$200,000 or more in the preceding calendar year, you must make your tax payments by means of Electronic Funds Transfer (EFT).

Beginning January 1, 2003, if you file Form RC-1-A, Cigarette Tax Stamp Order-Invoice, and you

- ◆ have an annual tax liability of \$200,000 or more in the preceding calendar year, you must make your tax payments by EFT; or
- ◆ purchase cigarette revenue tax stamps with a draft, you must make such draft by EFT.

Will the department notify taxpayers who are required to make payments by EFT?

Yes. If you are required to make your payments by EFT, you must complete Form EFT-1, Authorization Agreement for Electronic Funds Transfer.

May I file my returns electronically?

Taxpayers who file Form TP-1 must continue to file paper returns. Currently there is no electronic filing program for these returns.

Beginning January 1, 2003, if you file Form RC-6, Cigarette Revenue Return, or Form RC-6-A, Out-of-State Cigarette Revenue Return, you may begin filing your return and schedules on magnetic media or by means of an electronic format that has been approved by the department. However, if you have 30 or more transactions per month your return

must be accompanied by the appropriate schedules on magnetic media. You may also use an electronic format that has been approved by the department to file those schedules and your returns.

Where may I get more information on electronic filing?

Electronic Filing Guides, formats, and authorization requirements will be available in the near future on our Web site.

Have there been revisions to returns and schedules?

Yes. All returns and schedules have been revised.

Cigarette - Most schedules now require an "Account Number." The Federal Employers Identification number (FEIN) of the person to whom you sold to, purchased from, shipped to; or from whom you received your cigarette inventory is the "Account Number."

Also, Schedule CF requirements have been split, creating a Schedule CF-1.

You must begin using the revised returns and schedules immediately. Schedules can be obtained from our Web site at www.ILtax.com.

Tobacco - Form TP-1, is also being revised and will be sent to you for the January 2003 liability period.

Has the procedure for applying credit memorandums changed?

Yes. Beginning January 1, 2003, you are still required to write the amount of the credit memorandum you wish to apply on the appropriate line of your return. However, you do not have to attach a copy of the credit memorandum to your return.

If you have multiple credit memorandums, the oldest available will be the first to be applied. If your oldest available credit memorandum is

- ◆ **greater** than the amount you have requested, we will issue you a new credit memorandum for the difference.
 - ◆ **less** than the amount you have indicated, we will use the oldest credit, then the amount needed from the next oldest credit, and so on, until the total credit applied reaches the amount you requested.
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