



**NOTICE OF THE COOK COUNTY  
AMENDED TOBACCO ORDINANCE  
OTHER TOBACCO PRODUCTS**

Cook County Dept. of Revenue  
Accounts Receivable  
P.O. Box 641547  
Chicago, IL 60664-1547

**GENERAL INFORMATION:**

Pursuant to Chapter 74 Article XI Sec 74-433, of the Tobacco Tax Ordinance, as amended on November 15, 2011, a tax is being imposed on all Other Tobacco Products (OTP). Pursuant to the Cook County Home Rule Tax Ordinance Ruling 2012-1, the effective enforcement date of this tax is March 1, 2012. Therefore, as provided by Sec 74-435 (a) of the Tobacco Tax Ordinance, *it shall be a violation of this article to engage in the sale, possession or use of any cigarettes and/or OTP subject to any tax provided by this article upon which said tax has not been paid.* As a result, retail tobacco dealers are required to remit a tax due on all OTP items in their possession or control at **11:59 pm on February 29, 2012** to the Cook County Department of Revenue (DOR). All of the OTP items can be classified into four (4) categories: Smoking Tobacco, Smokeless Tobacco, Little Cigars and Large Cigars.

**WHAT ARE OTP PRODUCTS?**

- **Large cigar** means any roll of tobacco wrapped in leaf tobacco or any substance containing tobacco and weighing more than three pounds per thousand.
- **Little cigar** means any roll of tobacco wrapped in leaf tobacco or any substance containing tobacco and not weighing more than three pounds per thousand.
- **Smokeless tobacco** includes any snuff, snus, chewing tobacco, or other tobacco products not intended to be smoked.
- **Smoking tobacco** includes granulated, plug cut, crimp cut, ready rubbed and other kinds and forms of tobacco prepared in such manner as to be suitable for smoking in a pipe or cigarette.

**WHAT ARE THE TAX RATES?**

<b>2012 – OTP Tax Rates</b>		
<b>Tobacco Products</b>	<b>Rate</b>	<b>Measure</b>
Smoking Tobacco	\$0.30	per ounce or fraction thereof
Smokeless Tobacco	\$0.30	per ounce or fraction thereof
Little Cigars	\$0.05	per unit or cigar
Large Cigars	\$0.25	per unit or cigar

**WHO MUST FILE THE RETURN AND/OR REMIT THE FLOOR TAX?** Every person or retail establishment engaged in the business of making retail sales in Cook County must respond by remitting an OTP floor tax return form. The tax return must be postmarked by no later than **MARCH 20, 2012**.

**WHAT IF I FAIL TO RESPOND?** Failure to file a floor tax return and/or remit the tax due by **March 20, 2012** will result in this matter set for an Administrative Hearing at which the Department of Revenue will pursue the tax due and the following penalties and interest:

- 25% (.25) penalty for failure to file collected tax due
- 50% (.50) penalty for failure to remit tax due
- 1.25% (.0125) interest

**TRACKING INVENTORY:** To assist in this process, the Department of Revenue has created a Floor Tax Daily Inventory Schedule packet (attached) which allows retailers to record the beginning inventory purchase and sales history and the ending inventory for the months of February and March 2012. If additional space is needed, an electronic copy of these forms can be found on the DOR website at: <http://www.cookcountyil.gov/revenue>

**OTP FLOOR TAX BOOKS AND RECORD KEEPING REQUIREMENTS:** Pursuant to Chapter 34, Article III Sec. 34-63 of the Uniform Penalties Interest and Procedures Ordinance, for the period of February 1 through March 31, 2012, you must complete the Floor Tax Daily Inventory Schedules and maintain them at your place of business and make them available for inspection, review or audit for a period of no less than three (3) calendar years (March 2015). These records include, but are not limited to, invoices from wholesalers, purchase journals, inventory schedules, sales receipts and sales journals. Failure to maintain the Floor Tax Daily Inventory Schedules will give the DOR cause to assess additional penalties.

**RETAILER TAX REMITTANCE PROCESS:** Pursuant to Sec. 74-433(e), *any wholesale tobacco dealer who shall pay the tax levied by this article to the department shall collect the tax from any retail tobacco dealer to whom the sale of said cigarettes, or other tobacco products is made, and any retail tobacco dealer shall, in turn, collect the tax from the purchase of said cigarettes, smoking tobacco, smokeless tobacco, little cigars and large cigars.*

#### **FREQUENTLY ASKED QUESTIONS –**

1. **What is being taxed?** *All OTP items. This includes, smoke and smokeless tobacco and large and small cigars. Cigarettes are not included in this floor tax.*
2. **What is a floor tax?** *A floor tax is a tax based on the amount of OTP inventory on hand. Retailers must take an actual physical count of all their OTP items at the business location (or in storage) as of February 29, 2012 at 11:59 pm or close of business.*
3. **When is the floor tax return due?** *March 20, 2012.*
4. **What if I do not have OTP inventory?** *You are still required to fill out the floor tax form, however enter “N/A” or zero (0) as the calculated taxes.*
5. **Does the floor tax apply to all wholesalers?** *No, the floor tax only applies to retail establishments.*
6. **I would like to pay in person instead of mailing my payment. Is this possible?** *Yes, payments can be made at the DOR payment window located on the 11<sup>th</sup> floor, Room 1160 at 118 N. Clark Street, Chicago, IL 60602.*
7. **What if the products are expired or stale, are they still being taxed?** *Yes. All products on the premises available for sale regardless of expiration date are taxed.*
8. **What if a factory manufacturing representative gives me free samples, are they still taxed?** *Yes, all items that are received from any manufacturing representative are taxed. If you receive any free samples, you will need to fill out a self-assessment form.*

9. **How are “Roll-your-own” cigarettes being tax?** *When purchasing loose tobacco for the purpose of a roll-your-own cigarette, a tax shall be imposed on the loose tobacco at the appropriate rate as well as a \$0.10 per cigarette tax once a roll-your-own cigarette is made.*
10. **Calculations** – *When calculating the total weight for all OTP, enter the number to the nearest tenth percent (0.1). Do not round the number. (For example, if the total weight for the OTP items equals 90.57 ounces, the number entered on the OTP Floor Tax return should be 90.5 ounces.)*
11. **Where can I go to find out more information?** *All the forms/schedules and supplemental information can be found on the DOR webpage at [www.cookcountyil.gov/revenue](http://www.cookcountyil.gov/revenue) or call DOR at (312)-603-6870.*

**FOR ASSISTANCE**

If you have any questions, please contact the Department of Revenue at 118 N. Clark Street, Chicago, IL 60602, telephone number (312)-603-6870 or email at [cookcounty.revenue@cookcountyil.gov](mailto:cookcounty.revenue@cookcountyil.gov) or visit the Cook County Department of Revenue webpage at [www.cookcountyil.gov/revenue](http://www.cookcountyil.gov/revenue) for additional information.

To report violations of Cook County tobacco Ordinances, please visit our webpage or call (312)-603-2585.