COMPLIANCE ALERT



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As consumers are seeking to reduce the cost of cigarettes, businesses are acquiring on-premise machines that use loose tobacco and cigarette paper or tubes to produce cigarettes. There are numerous laws that must be followed.

Solution =

There are significant requirements for a retailer who owns, leases or operates on-premise cigarette production equipment, namely;

- 1 Obtaining both cigarette manufacturer and cigarette distributor licenses from the Department of Revenue.
- **2** Assuring that all cigarette packages have the appropriate tax stamps.
- **3** Meeting state and federal labeling requirements.
- **4** Obtaining certification from the Illinois Attorney General of compliance with the Master Settlement Agreement.
- **5** Obtaining certification from the Illinois State Fire Marshall of compliance with the Illinois Cigarette Fire Safety Standards Act.

Background -

There are substantial tax and regulatory requirements imposed on cigarettes that are not avoided by utilizing onpremise production equipment.