

ST 25-0061-GIL 11/25/2025 TOBACCO PRODUCTS TAX ACT

This letter discusses sales of tobacco products from vending machines. 720 ILCS 675/1; 35 ILCS 143; and 86 Ill Adm. Code 660.10. (This is a GIL).

November 25, 2025

NAME  
DEPARTMENT  
CITY  
ADDRESS  
EMAIL

Dear NAME:

This letter is in response to your letter dated October 22, 2025, in which you requested information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at <https://tax.illinois.gov/> to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

A business recently contacted our office to inquire about obtaining a municipal tobacco license for the purpose of distributing vending machines containing disposable vapes and nicotine pouches to bars within city limits. We are seeking clarification on whether this type of activity is permissible under current Illinois State Law.

Additionally, would the individual bars hosting these vending machines also be required to obtain a tobacco retail license or any other form of authorization under State regulations?

I look forward to your response.

**DEPARTMENT'S RESPONSE:**

Every person engaged in selling tangible personal property at retail in Illinois, including through vending machines, is required to procure a certificate of registration from the Department. 86 Ill. Adm. Code 130.701(b). Sellers through vending machines must indicate the number of vending machines to be operated in their registration application, and the Department shall then furnish a separate sub-certificate (decal) for each vending machine, which must be displayed by attaching the decal to a conspicuous part of the vending machine. See 35 ILCS 120/2a; 86 Ill. Adm. Code 130.701(d)-(e).

Under the Prevention of Tobacco Use by Persons under 21 Years of Age and Sale and Distribution of Tobacco Products Act, tobacco products, electronic cigarettes (including vape pens and other similar products), and alternative nicotine products (including nicotine pouches) may be sold through a vending machine, only if they are not placed together in the vending machine with any non-tobacco products, other than matches. The vending machine may also only be located in (1) a place to which persons under 21 years of age are not permitted access at any time or (2) a place where alcoholic beverages are sold and consumed on the premises and the vending machine's operation is under the direct supervision of the owner or manager. 720 ILCS 675/1 (a-9), (b).

Under the Tobacco Products Tax Act of 1995 (Tax Act), no person may engage in business as a retailer of tobacco products in this State without first having obtained a license from the Department. 35 ILCS 143/10-21; 86 Ill. Adm. Code 660.16. Tobacco products requiring a retailer license under the Tax Act include products made from or derived from tobacco that are intended for human consumption or are likely to be consumed, including, but not limited to, electronic cigarettes, including vape pens and other electronic nicotine delivery systems, and products made or derived from tobacco or containing nicotine that are intended for human consumption, including, among other things, nicotine pouches. 35 ILCS 143/10-5.

Retailers are defined as any person (natural individual, firm, partnership, association, joint stock company, joint venture, limited liability company, or public or private corporation, however formed, or a receiver, executor, administrator, trustee, conservator, or other representative appointed by order of any court) in the State engaged in the business of selling tobacco products to consumers in the State. Retailers are required to pay separate annual license fees for each place of business at which they propose to engage in business as a retailer. 35 ILCS 143/10-21; 86 Ill. Adm. Code 660.16. Each vending machine where tobacco products are sold is considered a place of business requiring a separate retailer license for the person operating the vending machine. 35 ILCS 143/10-5; 86 Ill. Adm. Code 660.10.

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I hope this information is helpful. If you require additional information, please visit our website at <https://tax.illinois.gov/> or contact the Department's Taxpayer Information Division at 800-732-8866.

Very truly yours,

Edward Mroczkowski  
Associate Counsel

EM:slc