

**Illinois Department of Revenue
Regulations**

Title 86 Part 700 Section 700.310 Penalty for Failure to File Correct Information Returns

Section 700.310 Penalty for Failure to File Correct Information Returns (UPIA Section 3-4)

- a) *An information return is any return required by a tax Act to be filed with the Department that does not, by law, require the payment of a tax liability. (UPIA Section 3-4(c)) Examples of information returns are the information returns that the Department may require of retailers pursuant to ROTA Section 3. An information return is not a tax return with a zero balance. For example, the filing of a Form ST-1 by a retailer who had no gross receipts for the period covered by the filing of the return is not an information return. Similarly, the filing of Form IL-941, IL-W-3 or RC-6 is not an information return as defined in UPIA Section 3-4(c).*

- b) *Unless otherwise provided in a tax Act, in the case of a failure, described in subsection (c), by any person with respect to an information return, that person shall pay a penalty of \$5 for each return or statement with respect to which the failure occurs, but the total amount imposed on that person for all failures under this Section during any calendar year shall not exceed \$25,000. (UPIA Section 3-4(a)(1))*

- c) *The following failures are subject to the \$5 penalty:*
 - 1) *Any failure to file an information return with the Department on or before the due date for filing; or*

 - 2) *Any failure to include all of the information required to be shown on the return or the inclusion of incorrect information. (UPIA Section 3-4(a)(2))*

- d) *If any failure described in subsection (c) is corrected within 60 days after the due date for filing:*
 - 1) *The penalty imposed by the Act, and quoted in subsection (c), shall be reduced to \$2.50 for each failure; and*

 - 2) *The maximum amount of penalty imposed on the person for all failures under this Section during any calendar year that are so corrected is \$12,500. (UPIA Section 3-4(b))*

- e) *A corrected information return is a return that includes all information required to be included on the return, and on which all the information is correct.*

- f) *A corrected information return will be deemed to have been filed with and received by the Department within 60 days after the due date for filing if the date shown by the post office cancellation mark stamped upon the envelope or other appropriate wrapper containing the return is dated within 60 days after the due date of the return, or actual receipt by the Department if deliveries are made by means other than the U.S. Postal Service.*

(Source: Amended at 43 Ill. Reg.14342, effective November 26, 2019)