

Illinois Department of Revenue
101 West Jefferson Street
Springfield, Illinois 62708

INFORMATIONAL BULLETIN FY85-15

TO: All Illinois Taxpayers

SUBJECT: "Stop Tax Evasion Program" (STEP) Legislation

Public Acts 83-1415 and 83-1416 greatly strengthen Illinois tax laws and gave the Illinois Department of Revenue more tools by which to collect delinquent taxes.

Key provisions of these law changes are listed below.

1. Authority was given to Illinois Department of Revenue to levy upon wages or bank accounts of delinquent taxpayers.
2. Authority was given to the Illinois Department of Law Enforcement to seize property for delinquent taxes once a referral has been made by the Department of Revenue.
3. Authority was given to the Department of Revenue to disclose the names of delinquent taxpayers to state licensing agencies. These agencies may initiate action to suspend or revoke professional or trade licenses if the taxes are not paid.
4. The statute of limitations for non-filers with respect to retailers' occupation and related taxes, utility taxes, and motor fuel taxes was changed to be the same as income tax. That is, there is no such statute of limitations for non-filers.
5. Certain provisions regarding tax liens were expanded.
 - A. The life of liens was extended from 5 to 20 years.
 - B. The period for filing a lien under the sales tax was extended from 2 years to 3 years after the issuance of a final assessment, making it the same as income tax.
 - C. The Department of Revenue will require (for income taxes) the payment of the 1/2% per month late payment penalty between the date a notice of lien is filed and the date the corresponding tax is paid.
6. The prepaid sales tax law was changed in order to require certain taxpayers to make quarter-monthly payments of the three cents per gallon sales tax collected on sales of motor fuel to retailers. Also, the penalty provisions were clarified in relation to when the prepaid sales tax is not collected. That is, the Department may, after 5 days' notice, revoke the license of any distributor or supplier who fails to collect such prepaid tax on invoiced gallons of motor fuel sold or who fails to deliver a statement of tax paid to the purchaser or to the Department.

7. Authority was given to use certified Department of Revenue

computer-generated records as evidence in hearings related to sales tax liability. These records will be considered prima facie correct and will be admissible on the same basis as other Department records.

8. The "bulk sales" provision under sales tax was extended to income tax. When a taxpayer sells a business or transfers the major part of his inventory or other property, the PURCHASER of that property is responsible for any outstanding tax liabilities of that business, to the extent of the purchase price or reasonable value of the property which was sold. Under these "bulk sales" transactions, if the purchaser notifies the Department of Revenue of the intended purchase and a "bulk sales stop order" is issued, the purchaser can be protected from the seller's outstanding income tax liabilities where the purchaser, under previous law, was protected only from the seller's outstanding sales tax liabilities.
9. Before itinerant merchants and others similarly situated engage in the business of retail selling, they must obtain a Certificate of Registration and meet any bond requirements. They will no longer be allowed to operate 30 days in the State without the certificate.
10. Possession as well as transportation of 40,000 or more illegal, unstamped cigarettes will be considered a felony offense instead of a misdemeanor.
11. The Department of Revenue will no longer need to go through the Comptroller's Office to offset a taxpayer's delinquent taxes against a refund due the same taxpayer. The ability to perform offsets is not subject to a statute of limitations.

J. Thomas Johnson
Director of Revenue

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