



■ Illinois Voluntary Disclosure Program

TO: Tax Practitioners

The Illinois Voluntary Disclosure Program, which took effect January 1, 1993, is directed at taxpayers who have failed to file required tax returns. The program's intent is to promote voluntary compliance.

The program is designed to benefit taxpayers who voluntarily come forward after discovering that they should have registered to collect and pay tax or should have filed a return to pay tax.

How does the taxpayer benefit from the program?

The program provides the following benefits to taxpayers who participate:

- the statute of limitations shortens the assessment period to four years,
- no civil fraud penalties will be imposed,
- we will recommend no criminal prosecution, and
- the taxpayer may petition the Board of Appeals for relief from penalties and interest.

Which taxes qualify?

The program applies to all taxes we administer **except** those enabled by the following legislation:

- the Racing Privilege Tax Act,
- the Revenue Act of 1939 (allows local governments to levy property taxes),
- the Real Estate Transfer Tax Act, and
- the Coin-Operated Amusement Device and Redemption Machine Tax Act.

Do taxpayers qualify who have underreported or underpaid their taxes?

No. These taxpayers must correct previously filed returns as required under existing tax law.

What must the taxpayer do to benefit from the program?

The taxpayer must follow a four-step process:

- 1 The taxpayer must file an **application for voluntary disclosure** with the Board of Appeals. Once we have certified that we have not

initiated an audit or a criminal investigation, the board will accept the application and notify the taxpayer.

- 2 Within 30 days of being notified that the application for voluntary disclosure has been accepted, the taxpayer must file tax returns for the past four years and **pay all tax, penalties, and interest** except for penalties and interest for which the taxpayer decides to seek relief from the Board of Appeals.
- 3 If the taxpayer wishes to ask for **relief from any penalties or interest** owed, the taxpayer may then file a petition with the Board of Appeals **at the same time the returns are filed.**
- 4 The taxpayer must then **comply** with the board's decision as to whether the taxpayer owes penalty and/or interest.

Questions?

If you have any questions or need forms, please call or write us. Our telephone number and address are printed at the bottom of this bulletin.

