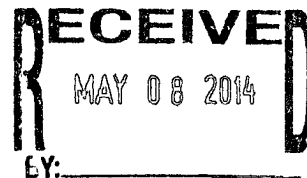


**IN THE ILLINOIS INDEPENDENT TAX TRIBUNAL
CHICAGO, ILLINOIS**

M V ONE CORP.,)	
)	
Petitioner,)	
)	
v.)	No.
)	
ILLINOIS DEPARTMENT OF REVENUE,)	
)	
Defendant.)	



PETITION

Petitioner, M V Corp. (“Petitioner”), by and through its attorneys, Romanoff & Dickett, Ltd., complains of the Defendant, the Illinois Department of Revenue (“Department”), and alleges as follows:

PARTIES

1. Petitioner is an Illinois corporation located at 1547 West 87th Street, Chicago, Illinois, 60620, and can be reached at 773-445-2020.
2. Petitioner is represented by Romanoff & Dickett, Ltd. attorney James E. Dickett, located at 600 Hillgrove Avenue, Suite 1, Western Springs, Illinois, 60558 and can be reached at 708-784-3200 or jdickett@aol.com.
3. Petitioner’s Taxpayer (Account) ID is 2509-8098.
4. The Department is an agency of the Executive Department of the State Government and is tasked with the enforcement and administration of Illinois tax laws. 20 ILCS 5/5-15.

NOTICE

5. On March 11, 2014, Petitioner received four (4) Notice of Deficiency letters for Form IL-1120-ST, Small Business Corporation Replacement Tax returns (“Notices”) for the tax years 2007, 2008, 2009, and 2010. The Notices, in aggregate, reflect \$32,138 in tax due, plus penalties and interest. The Notices are attached hereto as Exhibit A.

JURISDICTION

6. Petitioner brings this action pursuant to the Illinois Independent Tax Tribunal Act (“Tribunal Act”), 35 ILCS 1010/1-1 to 35 ILCS 1010/1-100.

7. This Tribunal has jurisdiction over this matter pursuant to Section 1-45 and 1-50 of the Tribunal Act because Petitioner timely filed this Petition within 60 days of the Notice.

BACKGROUND

8. Petitioner is a retailer located on the south side of Chicago.

9. Defendant audited Petitioner’s books and records for sales tax for the periods July 1, 2010 to December 31, 2012.

10. Petitioner timely protested the sales tax audit Notice of Tax Liability which is currently pending in the Administrative Hearings Division under their docket number 12-ST-0406.

11. The corporate income tax liabilities contained in the Notices in this matter are based on the sales tax audit results that are not yet final.

COUNT I

Defendant’s audit methodology overstates Petitioner’s liability.

12. Petitioner realleges and incorporates by reference the allegation made in paragraphs 1 through 12, inclusive, hereinabove.

13. The Department assessed the tax liabilities contained in the Notices based on the sales tax audit results which are still pending and which are overstated for several reasons including but not limited to zero allowance for waste/theft/etc., improper projection and estimation of purchases subject to mark-up, and improper assessment of Use Tax on Petitioner's building reconstruction due to a fire during the audit period that leveled Petitioner's business.

14. By applying the Department's unfinalized and overstated corporate sales tax audit results to the corporate income tax Notices herein, the Department drastically and unreasonable inflated Petitioner's corporate income tax liability.

WHEREFORE, Petitioner prays that the Tribunal enter an order that:

- (a) enters judgment in favor of Petitioner and against the Defendants and cancels the Notices;
- (b) enjoins the Department from taking any action to assess, lien, levy, offset, or any other way prosecute and collect the amount due on the Notices;
- (c) grants such further relief as the Tribunal deems appropriate.

COUNT II

All penalties should be abated based on reasonable cause.

15. Petitioner realleges and incorporates by reference the allegation made in paragraphs 1 through 14, inclusive, hereinabove.

16. In its Notices, the Department assessed late filing and late payment penalties.

17. Illinois law provides that neither late penalties nor negligence penalties apply if a taxpayer shows that its failure to pay tax was due to reasonable cause. 35 ILCS 735/3-8.

18. The most important factor to be considered in making a determination to abate a penalty will be the extent to which the taxpayer made a good faith effort to determine its proper

tax liability and to pay its proper tax liability in a timely fashion, and a taxpayer will be considered to have made a good faith effort to determine and pay its proper tax liability if it exercised ordinary business care and prudence in doing so. 86 Ill. Admin. Code 700.400(b).

19. Petitioner exercised ordinary business care and prudence when it reasonably determined its corporate income liability during the audit periods and clearly did not use the Department's proposed sales tax audit results.

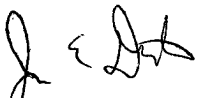
WHEREFORE, Petitioner prays that the Tribunal enter an order that:

- (a) finds and declares that all penalties should be fully abated based on reasonable cause;
- (b) enjoins the Department from taking any action to assess, lien, levy, offset, or any other way prosecute and collect the amount of penalties due on the Notices; and
- (c) grants such further relief as the Tribunal deems appropriate under the circumstances.

Thank you for considering this Petition.

Respectfully submitted,

M V One Corp.,
Petitioner

By: 
One of Petitioner's Attorneys
Date: 5-7-14

James E. Dickett
Romanoff & Dickett, Ltd.
600 Hillgrove Avenue, Suite 1
Western Springs, IL 60558
708-784-3200

Notice of Deficiency

for Form IL-1120-ST, Small Business Corporation Replacement Tax Return



March 11, 2014



Letter ID: CNXXX21X111984X3

#BWNKMGV
#CNXX X21X 1119 84X3#
M V ONE CORP
MR G S SUPPER CLUB
1547 W 87TH ST
CHICAGO IL 60620-4822

Taxpayer ID: 36-3840903
Audit ID: A1580361728
Reporting period: December 2007
Total Deficiency: \$16,459.98
Balance due: \$16,459.98



We have audited your account for the reporting period listed above. The attached statement explains the computation of your deficiency and the balance due. **Illinois law requires that we notify you of this deficiency and your rights.**

If you agree to this deficiency, pay the total balance due as soon as possible to minimize penalty and interest assessed. Make your check payable to "Illinois Department of Revenue," write your taxpayer ID on your check, and mail a copy of this notice along with your payment.

If you do not agree, you may contest this notice by following the instructions listed below.

- **If the amount of this tax deficiency, exclusive of penalty and interest is more than \$15,000, or if no tax deficiency is assessed but the total penalties and interest is more than \$15,000**, file a petition with the Illinois Independent Tax Tribunal within **60 days** of this notice. Your petition must be in accordance with the rules of practice and procedure provided by the Tribunal (35 ILCS 1010/1-1, *et seq.*).
- **In all other cases**, file a protest with us, the Illinois Department of Revenue, within **60 days** of this notice. If you file a protest on time, we must reconsider the proposed deficiency, and if requested, grant you or your authorized representative an administrative hearing. An administrative hearing is a formal legal proceeding conducted pursuant to rules adopted by the Department and is presided over by an administrative law judge. Submit your protest on Form EAR-14, Format for Filing a Protest for Income Tax, (available on our website at tax.illinois.gov). If we do not receive your protest within **60 days**, this deficiency will become final. A protest of this notice does not preserve your rights under any other notice.
- **In any case**, you may instead, under Sections 2a and 2a.1 of the State Officers and Employees Money Disposition Act (30 ILCS 230/2a, 230/2a.1), pay the total deficiency under protest using Form RR-374, Notice of Payment Under Protest (available on our website at tax.illinois.gov), and file a complaint with the circuit court for a review of our determination.

If you do not protest this notice or pay the balance due in full, we may take collection action against you for the balance due, which may include levy of your wages and bank accounts, filing of a tax lien, or other action.

If you have questions, call us at the telephone number shown below.

Sincerely,

Brian Hamer
Director

ILLINOIS DEPARTMENT OF REVENUE
AUDIT BUREAU
PO BOX 19012
SPRINGFIELD IL 62794-9012

(217) 524-4279

Statement

Date: March 11, 2014
Name: M V ONE CORP
Taxpayer ID: 36-3840903
Letter ID: CNXXX21X111984X3

Computation of deficiency

Reporting Period: 31-Dec-2007

Unmodified base income or loss	
Total unmodified base income or loss	\$595,650.00
Income or loss	
Other additions	\$0.00
Total income or loss	\$595,650.00
Income allocable to Illinois	
Nonbusiness income or loss	\$0.00
Non-unitary partnership business income/loss	\$0.00
Business income or loss	\$595,650.00
Apportionment formula	
Total sales everywhere	\$0.00
Total Illinois sales	\$0.00
Apportionment factor	1.000000
Business income/loss apportionable to IL	\$0.00
Non-business income/loss allocable to IL	\$0.00
Non-unitary part bus income/loss apptn to IL	\$0.00
Base income or net loss allocable to IL	\$0.00
Net income	
Base income or net loss	\$595,650.00
Illinois net loss deduction (NLD)	\$0.00
Net income	\$595,650.00
Net replacement tax	
Replacement tax	\$8,935.00
Recapture of investment credits	\$0.00
Replacement tax before investment credits	\$8,935.00
Replacement tax investment credits	\$0.00
Total net replacement tax due	\$8,935.00
Total tax deficiency	\$8,935.00
Plus late-filing penalty	\$357.40
UPIA-5 late-payment penalty (Audit)	\$3,574.00
Plus interest on tax through March 11, 2014	\$3,593.58
Total deficiency	* \$16,459.98

Notice of Deficiency

for Form IL-1120-ST, Small Business Corporation Replacement Tax Return



March 11, 2014



Letter ID: CNXXX15X29X19841

#BWNKMGV
#CNXX X15X 29X1 9841#
M V ONE CORP
MR G S SUPPER CLUB
1547 W 87TH ST
CHICAGO IL 60620-4822



Taxpayer ID: 36-3840903
Audit ID: A1580361728
Reporting period: December 2008
Total Deficiency: \$12,012.58
Balance due: \$12,012.58

We have audited your account for the reporting period listed above. The attached statement explains the computation of your deficiency and the balance due. **Illinois law requires that we notify you of this deficiency and your rights.**

If you agree to this deficiency, pay the total balance due as soon as possible to minimize penalty and interest assessed. Make your check payable to "Illinois Department of Revenue," write your taxpayer ID on your check, and mail a copy of this notice along with your payment.

If you do not agree, you may contest this notice by following the instructions listed below.

- **If the amount of this tax deficiency, exclusive of penalty and interest is more than \$15,000, or if no tax deficiency is assessed but the total penalties and interest is more than \$15,000**, file a petition with the Illinois Independent Tax Tribunal within **60 days** of this notice. Your petition must be in accordance with the rules of practice and procedure provided by the Tribunal (35 ILCS 1010/1-1, *et seq.*).
- **In all other cases**, file a protest with us, the Illinois Department of Revenue, within **60 days** of this notice. If you file a protest on time, we must reconsider the proposed deficiency, and if requested, grant you or your authorized representative an administrative hearing. An administrative hearing is a formal legal proceeding conducted pursuant to rules adopted by the Department and is presided over by an administrative law judge. Submit your protest on Form EAR-14, Format for Filing a Protest for Income Tax, (available on our website at tax.illinois.gov). If we do not receive your protest within **60 days**, this deficiency will become final. A protest of this notice does not preserve your rights under any other notice.
- **In any case**, you may instead, under Sections 2a and 2a.1 of the State Officers and Employees Money Disposition Act (30 ILCS 230/2a, 230/2a.1), pay the total deficiency under protest using Form RR-374, Notice of Payment Under Protest (available on our website at tax.illinois.gov), and file a complaint with the circuit court for a review of our determination.

If you do not protest this notice or pay the balance due in full, we may take collection action against you for the balance due, which may include levy of your wages and bank accounts, filing of a tax lien, or other action.

If you have questions, call us at the telephone number shown below.

Sincerely,

Brian Hamer
Director

ILLINOIS DEPARTMENT OF REVENUE
AUDIT BUREAU
PO BOX 19012
SPRINGFIELD IL 62794-9012

(217) 524-4279

Statement

Date: March 11, 2014
Name: M V ONE CORP
Taxpayer ID: 36-3840903
Letter ID: CNXXX15X29X19841

Computation of deficiency

Reporting Period: 31-Dec-2008

Unmodified base income or loss	
Total unmodified base income or loss	\$473,625.00
Income or loss	
Other additions	\$0.00
Total income or loss	\$473,625.00
Income allocable to Illinois	
Nonbusiness income or loss	\$0.00
Non-unitary partnership business income/loss	\$0.00
Business income or loss	\$473,625.00
Apportionment formula	
Total sales everywhere	\$0.00
Total Illinois sales	\$0.00
Apportionment factor	1.000000
Business income/loss apportionable to IL	\$0.00
Non-business income/loss allocable to IL	\$0.00
Non-unitary part bus income/loss apportion to IL	\$0.00
Base income or net loss allocable to IL	\$0.00
Net income	
Base income or net loss	\$473,625.00
Illinois net loss deduction (NLD)	\$0.00
Net income	\$473,625.00
Net replacement tax	
Replacement tax	\$7,104.00
Recapture of investment credits	\$0.00
Replacement tax before investment credits	\$7,104.00
Replacement tax investment credits	\$0.00
Total net replacement tax due	\$7,104.00
Total tax deficiency	\$7,104.00
UPIA-5 late-payment penalty (Audit)	\$2,841.60
Plus interest on tax through March 11, 2014	\$2,066.98

Total deficiency * \$12,012.58

If you intend to pay under protest, you must pay this total deficiency amount.

Notice of Deficiency

for Form IL-1120-ST, Small Business Corporation Replacement Tax Return



#BWNKMGV
#CNXX X166 4912 2242#
M V ONE CORP
MR G S SUPPER CLUB
1547 W 87TH ST
CHICAGO IL 60620-4822

March 11, 2014



Letter ID: CNXXX16649122242

Taxpayer ID: 36-3840903
Audit ID: A1580361728
Reporting period: December 2009
Total Deficiency: \$9,124.45
Balance due: \$9,124.45



We have audited your account for the reporting period listed above. The attached statement explains the computation of your deficiency and the balance due. **Illinois law requires that we notify you of this deficiency and your rights.**

If you agree to this deficiency, pay the total balance due as soon as possible to minimize penalty and interest assessed. Make your check payable to "Illinois Department of Revenue," write your taxpayer ID on your check, and mail a copy of this notice along with your payment.

If you do not agree, you may contest this notice by following the instructions listed below.

- **If the amount of this tax deficiency, exclusive of penalty and interest is more than \$15,000, or if no tax deficiency is assessed but the total penalties and interest is more than \$15,000**, file a petition with the Illinois Independent Tax Tribunal within **60 days** of this notice. Your petition must be in accordance with the rules of practice and procedure provided by the Tribunal (35 ILCS 1010/1-1, *et seq.*).
- **In all other cases**, file a protest with us, the Illinois Department of Revenue, within **60 days** of this notice. If you file a protest on time, we must reconsider the proposed deficiency, and if requested, grant you or your authorized representative an administrative hearing. An administrative hearing is a formal legal proceeding conducted pursuant to rules adopted by the Department and is presided over by an administrative law judge. Submit your protest on Form EAR-14, Format for Filing a Protest for Income Tax, (available on our website at tax.illinois.gov). If we do not receive your protest within **60 days**, this deficiency will become final. A protest of this notice does not preserve your rights under any other notice.
- **In any case**, you may instead, under Sections 2a and 2a.1 of the State Officers and Employees Money Disposition Act (30 ILCS 230/2a, 230/2a.1), pay the total deficiency under protest using Form RR-374, Notice of Payment Under Protest (available on our website at tax.illinois.gov), and file a complaint with the circuit court for a review of our determination.

If you do not protest this notice or pay the balance due in full, we may take collection action against you for the balance due, which may include levy of your wages and bank accounts, filing of a tax lien, or other action.

If you have questions, call us at the telephone number shown below.

Sincerely,

Brian Hamer
Director

ILLINOIS DEPARTMENT OF REVENUE
AUDIT BUREAU
PO BOX 19012
SPRINGFIELD IL 62794-9012

(217) 524-4279

Statement

Date: March 11, 2014
Name: M V ONE CORP
Taxpayer ID: 36-3840903
Letter ID: CNXXX16649122242

Computation of deficiency

Reporting Period: 31-Dec-2009

Unmodified base income or loss	
Total unmodified base income or loss	\$496,250.00
Income or loss	
Other additions	\$0.00
Total income or loss	\$496,250.00
Income allocable to Illinois	
Nonbusiness income or loss	\$0.00
Non-unitary partnership business income/loss	\$0.00
Business income or loss	\$496,250.00
Apportionment formula	
Total sales everywhere	\$0.00
Total Illinois sales	\$0.00
Apportionment factor	1.000000
Business income/loss apportionable to IL	\$0.00
Non-business income/loss allocable to IL	\$0.00
Non-unitary part bus income/loss apportion to IL	\$0.00
Base income or net loss allocable to IL	\$0.00
Net income	
Base income or net loss	\$496,250.00
Illinois net loss deduction (NLD)	\$0.00
Net income	\$496,250.00
Net replacement tax	
Replacement tax	\$7,444.00
Recapture of investment credits	\$0.00
Replacement tax before investment credits	\$7,444.00
Replacement tax investment credits	\$0.00
Total net replacement tax due	\$7,444.00
Minus tax previously assessed	-\$545.00
Total tax deficiency	\$6,899.00
Plus late-filing penalty	\$137.98
UPIA-5 late-payment penalty (Audit)	\$1,379.80
Plus interest on tax through March 11, 2014	\$707.67

Notice of Deficiency

for Form IL-1120-ST, Small Business Corporation Replacement Tax Return



March 11, 2014



Letter ID: CNXXXX3227349449

#BWNKMGV
#CNXX XX32 2734 9449#
M V ONE CORP
MR G S SUPPER CLUB
1547 W 87TH ST
CHICAGO IL 60620-4822



Taxpayer ID: 36-3840903
Audit ID: A1580361728
Reporting period: December 2010
Total Deficiency: \$10,945.52
Balance due: \$10,945.52

We have audited your account for the reporting period listed above. The attached statement explains the computation of your deficiency and the balance due. **Illinois law requires that we notify you of this deficiency and your rights.**

If you agree to this deficiency, pay the total balance due as soon as possible to minimize penalty and interest assessed. Make your check payable to "Illinois Department of Revenue," write your taxpayer ID on your check, and mail a copy of this notice along with your payment.

If you do not agree, you may contest this notice by following the instructions listed below.

- **If the amount of this tax deficiency, exclusive of penalty and interest is more than \$15,000, or if no tax deficiency is assessed but the total penalties and interest is more than \$15,000**, file a petition with the Illinois Independent Tax Tribunal within **60 days** of this notice. Your petition must be in accordance with the rules of practice and procedure provided by the Tribunal (35 ILCS 1010/1-1, *et seq.*).
- **In all other cases**, file a protest with us, the Illinois Department of Revenue, within **60 days** of this notice. If you file a protest on time, we must reconsider the proposed deficiency, and if requested, grant you or your authorized representative an administrative hearing. An administrative hearing is a formal legal proceeding conducted pursuant to rules adopted by the Department and is presided over by an administrative law judge. Submit your protest on Form EAR-14, Format for Filing a Protest for Income Tax, (available on our website at tax.illinois.gov). If we do not receive your protest within **60 days**, this deficiency will become final. A protest of this notice does not preserve your rights under any other notice.
- **In any case**, you may instead, under Sections 2a and 2a.1 of the State Officers and Employees Money Disposition Act (30 ILCS 230/2a, 230/2a.1), pay the total deficiency under protest using Form RR-374, Notice of Payment Under Protest (available on our website at tax.illinois.gov), and file a complaint with the circuit court for a review of our determination.

If you do not protest this notice or pay the balance due in full, we may take collection action against you for the balance due, which may include levy of your wages and bank accounts, filing of a tax lien, or other action.

If you have questions, call us at the telephone number shown below.

Sincerely,

Brian Hamer
Director

ILLINOIS DEPARTMENT OF REVENUE
AUDIT BUREAU
PO BOX 19012
SPRINGFIELD IL 62794-9012

(217) 524-4279

Statement

Date: March 11, 2014
Name: M V ONE CORP
Taxpayer ID: 36-3840903
Letter ID: CNXXXX3227349449

Computation of deficiency

Reporting Period: 31-Dec-2010

Unmodified base income or loss	
Total unmodified base income or loss	\$686,102.00
Income or loss	
Other additions	\$0.00
Total income or loss	\$686,102.00
Income allocable to Illinois	
Nonbusiness income or loss	\$0.00
Non-unitary partnership business income/loss	\$0.00
Business income or loss	\$686,102.00
Apportionment formula	
Total sales everywhere	\$0.00
Total Illinois sales	\$0.00
Apportionment factor	1.000000
Business income/loss apportionable to IL	\$0.00
Non-business income/loss allocable to IL	\$0.00
Non-unitary part bus income/loss apportion to IL	\$0.00
Base income or net loss allocable to IL	\$0.00
Net income	
Base income or net loss	\$686,102.00
Illinois net loss deduction (NLD)	\$0.00
Net income	\$686,102.00
Net replacement tax	
Replacement tax	\$10,292.00
Recapture of investment credits	\$0.00
Replacement tax before investment credits	\$10,292.00
Replacement tax investment credits	\$0.00
Total net replacement tax due	\$10,292.00
Minus tax previously assessed	-\$1,637.00
Total tax deficiency	\$8,655.00
UPIA-5 late-payment penalty (Audit)	\$1,731.00
Plus interest on tax through March 11, 2014	\$559.52
Total deficiency	* \$10,945.52