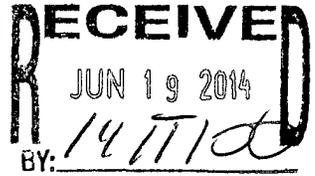
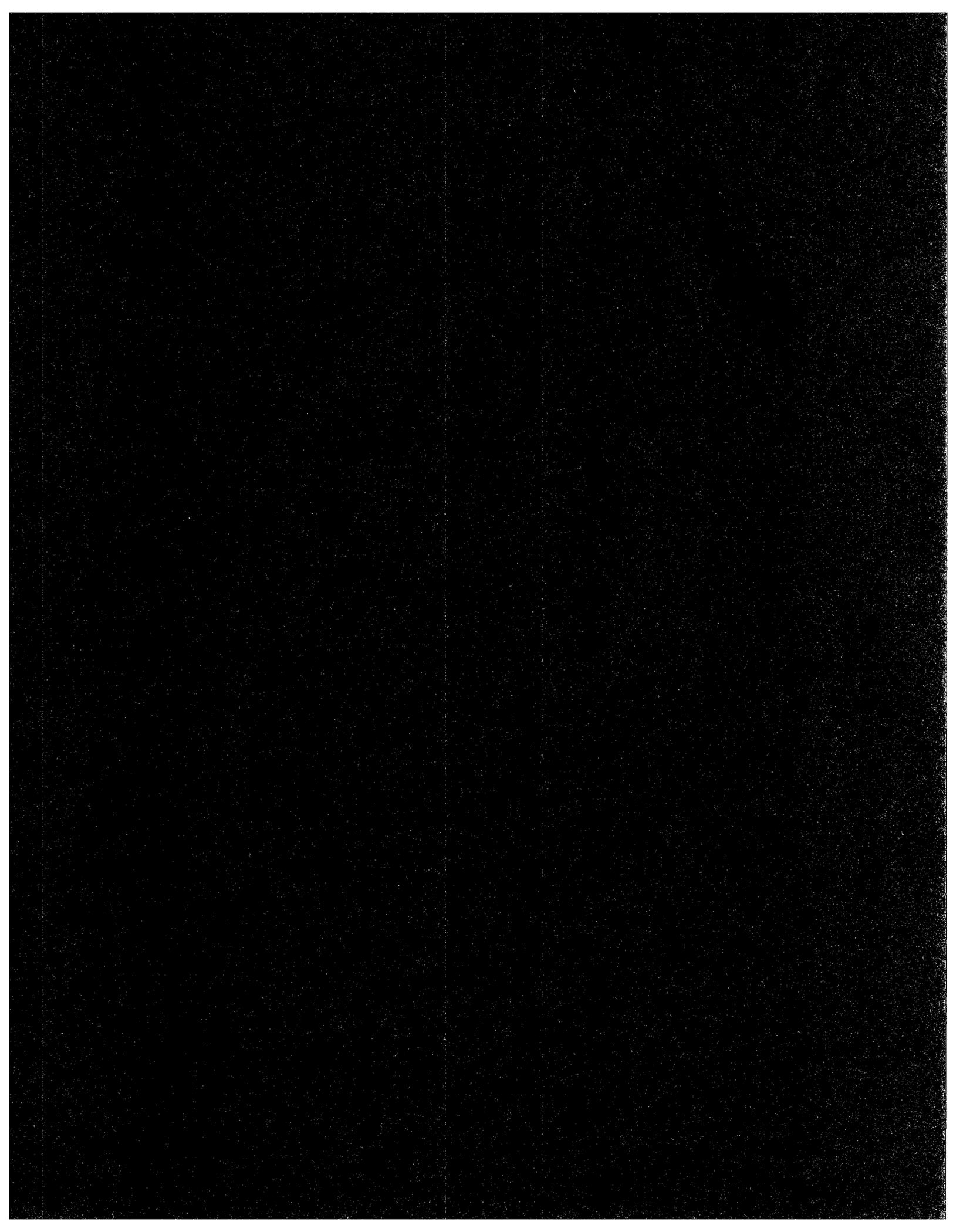


Illinois Independent Tax Tribunal



Petition Tab Sections

	<u>Section</u>
Administrative fee (\$500 Check).....	Fee
Petition document and IDOR Emails.....	Petition
Notice of Tax Liability and EDA-105R Reports.	Notice
Tax Liability Offset Schedule Jan 08–Aug 08..	Exh A
Customer Tax Credits	Exh B
Customer Illinois Exemption Certificates.....	Exh C
Original invoice copies.....	Exh D
Returns (Jun 2007–Apr 2008–missing Jul 2007).	Exh E





Carestream Health Inc.

REMITTANCE ADVICE

ILLINOIS INDEPENDENT TAX TRIBUNAL
160 N LASALLE ST ROOM N506
CHICAGO IL 60601

PAYMENT DOCUMENT NO: 1500165943 DATE: 01/21/2014
Carestream Health Contact: Accounts Payable
TELEPHONE: 1-866-927-0926
FAX:
Carestream Health No. 6031630

IN PAYMENT OF

DATE	VENDOR INVOICE:	CSH	GROSS AMOUNT	DISCOUNT	NET AMOUNT
01/21/2014	IL TAX TRIBUNAL	1900016157	500.00	0.00	500.00
		Total	500.00	0.00	500.00

MMEH5001 (02/09)

Check Number 00006231

DETACH BEFORE DEPOSITING

THIS IS WATERMARKED PAPER - DO NOT ACCEPT WITHOUT NOTING WATERMARK - HOLD TO LIGHT TO VERIFY WATERMARK



CHECK NO.: 00006231

01/21/2014

50-682

Carestream Health Vendor No 6031630

\$500.00

213

*** FIVE HUNDRED and 00/100 ***

Pay:

PAY TO THE ORDER OF
ILLINOIS INDEPENDENT TAX TRIBUNAL
160 N LASALLE ST ROOM N506
CHICAGO IL 60601

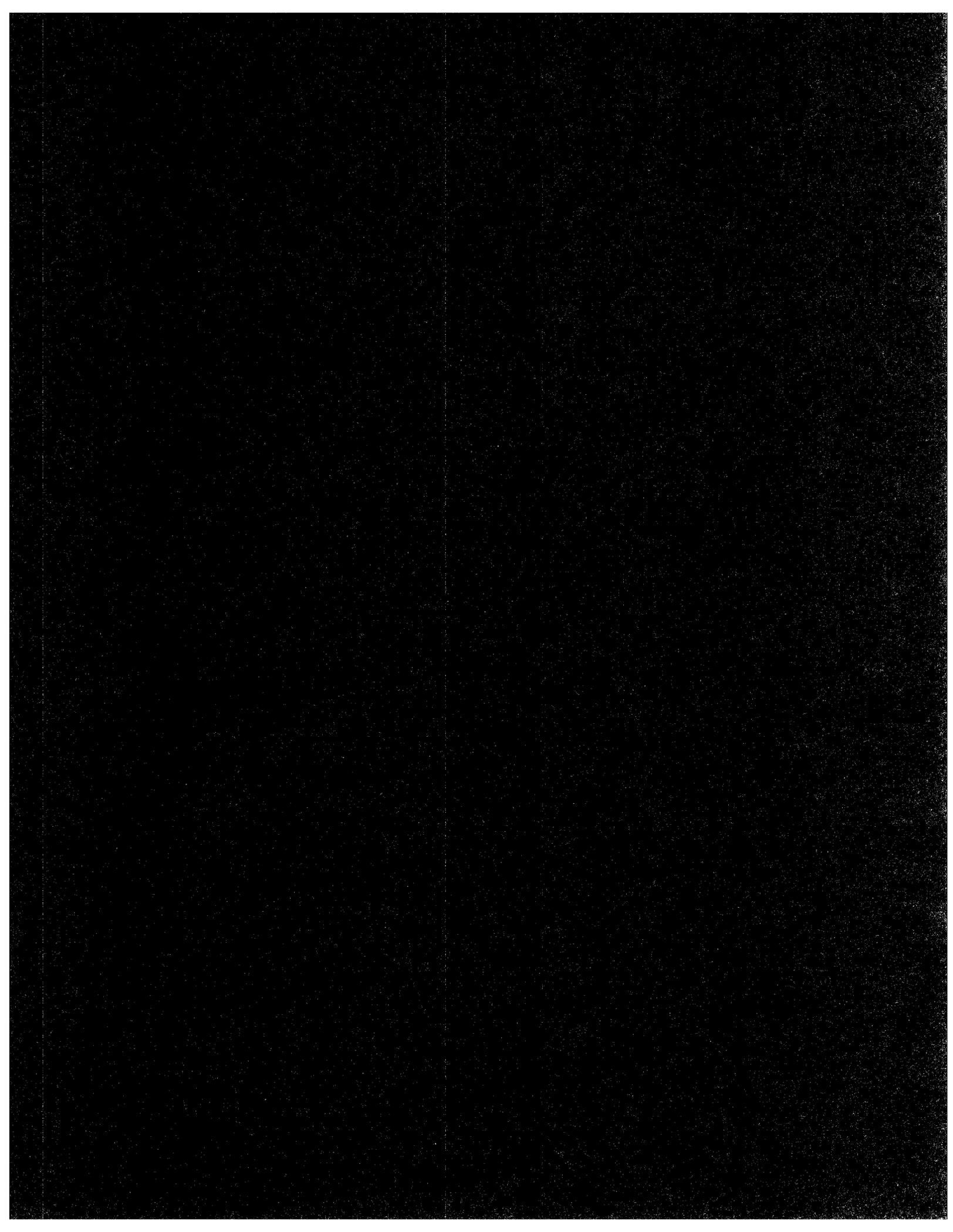
*****500.00* USD

Authorized Signature

HSBC Bank USA, NA
Rochester NY 14639

Void after six months from date issued

⑈00006231⑈ ⑆021306822⑆ 797044043⑈



David Cranks06/16/2014

Date: 04/23/2014 04:34 PM

Subject: Request for Late Discretionary Hearing

Office of Administrative Hearings

Attention: Mr. Terry Charlton

Dear Mr. Charlton:

Our company was audited for sales and use tax and attached are the two ROT Audit Reports received from the tax auditor November 18, 2013.

In December 2013 I notified the auditor and audit manager that we intended to protest the audit findings in a hearing before the new Independent Tax Tribunal (ITT - copy of petition attached). I made several email and phone requests for the Notice of Tax Liability (NTL) through March 21, 2014 at which time I was advised in an email to "be patient".

Today I contacted Taxpayer Assistance and eventually spoke with JoAnn Collins in Springfield audit to inquire about the delay in our receiving a Notice of Tax Liability. I was informed that the Notice was issued to an address in Illinois. We have no business location in Illinois and all the audit documents correctly reflect our Rochester NY address. To compound the error, I was told that the sixty day (60) time period to respond to the NTL, from the February 20 issuance date, expired on April 21.

I respectfully request that you grant a Late Discretionary Hearing under the circumstances in order that we can present our case to the ITT as soon as possible. Please let me know if additional information is needed.

Thanks.

David Cranks | Senior Manager – US&C Indirect Taxes

Corporate Tax

Finance Department

david.crank@carestream.com

Office: 585.627.6636 Fax: 585.627.8811

Carestream

www.carestream.com

Carestream Health, Inc. | 150 Verona Street | Rochester, New York 14608

Follow us on [Twitter](#) [Facebook](#) [YouTube](#) [EverythingRAD](#)

David Cranks 06/16/2014

Thanks.

David Cranks | Senior Manager – US&C Indirect Taxes

Corporate Tax

Finance Department

david.crank@carestream.com

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----- Forwarded by David Cranks/762855/USC/CSH on 06/09/2014 10:50 AM -----

From: David Cranks/762855/USC/CSH

To: vicky.stoneking@illinois.gov

Date: 05/09/2014 11:07 AM

Subject: Fw: Request for Late Discretionary Hearing

Hi Vicky,

I attempted to leave a voice mail for Terry Charlton and was directed to contact you regarding the request for a Late Discretionary Hearing. Please provide an update on when I may receive a response.

Thanks.

David Cranks | Senior Manager – US&C Indirect Taxes

Corporate Tax

Finance Department

david.crank@carestream.com

Office: 585.627.6636 Fax: 585.627.8811

Carestream

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----- Forwarded by David Cranks/762855/USC/CSH on 05/09/2014 11:04 AM -----

From: David Cranks/762855/USC/CSH

To: vicky.stoneking@illinois.gov

Cc: Jan Riet/19011220/USC/CSH@CSH

3



Re: Carestream Health
David Cranks to: Stoneking, Vicky

06/09/2014 03:45 PM

From: David Cranks/762855/USC/CSH
To: "Stoneking, Vicky" <Vicky.Stoneking@Illinois.Gov>

Thank you Vicky and my apology for any confusion with our letter. I really was blind sided by the IDOR sending (apparently) our Notice of Tax Liability to an incorrect address. My concern is that we can proceed to dispute our audit with the Tribunal.

Thanks.

David Cranks | Senior Manager – US&C Indirect Taxes
Corporate Tax
Finance Department

david.crank@carestream.com
Office: 585.627.6636 Fax: 585.627.8811



www.carestream.com
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Follow us on Twitter Facebook YouTube EverythingRAD

"Stoneking, Vicky" Dear Mr. Cranks: Mr. Charlton is still working yo... 06/09/2014 03:34:18 PM

From: "Stoneking, Vicky" <Vicky.Stoneking@Illinois.Gov>
To: David Cranks <david.crank@carestream.com>
Date: 06/09/2014 03:34 PM
Subject: Carestream Health

Dear Mr. Cranks:

Mr. Charlton is still working your case and you should hear something soon.

There has been some confusion since the first letter we received was addressed to the Illinois Independent Tax Tribunal and the Dept. of Revenue was cc'd. They have confirmed that they did not receive anything from Carestream Health.

Hopefully this will be resolved within the next week.

Sincerely,
Vicky Stoneking

From: David Cranks [mailto:david.crank@carestream.com]
Sent: Monday, June 09, 2014 9:54 AM
To: Stoneking, Vicky
Subject: Fw: Request for Late Discretionary Hearing

Good morning Vicky,

Please let me know the status of my request for a Late discretionary Hearing. I am getting concerned that it is taking so long for a reply to my 4/23/2014 submission to you. When we last spoke you indicated that a reply might my sent by May 31.



150 Verona Street
Rochester, NY 14608

June 17, 2014

Via Certified Mail

Illinois Independent Tax Tribunal
160 N. LaSalle St. Room N506
Chicago, Illinois 60601

Ref: Petition to Protest Notice of Tax Liability (“Notices”)

Carestream Health, Inc. EIN: 20-8190334

Audit: Account 5548-8978, Jan 1, 2008 – Jun 30, 2010

Dear Sir:

This petition requests a hearing for Carestream Health, Inc. (“Carestream”) to protest the above referenced Sales and Use Tax audit notice dated 02/20/2014.

The audit Waiver expired on 3/31/2014 and we received the Notices postmarked 4/24/2014 without supporting audit schedules. No proof of mailing the Notices prior to 3/31/2014 was received.

Amounts on the Notices were greater than those on the EDA-105R, ROT Audit Reports. I was informed by the auditor that the increases relate to the same issues disputed in this petition. However, without supporting schedules for the increased amounts, this petition can only address amounts contained in the EDA-105R, ROT Audit Reports (Notice tab).

At issue are:

1. the lack of fundamental fairness in disallowing customer tax credits based on the misapplication of the law and
2. the denial of penalty relief requested for reasonable cause

Background

Carestream is a worldwide provider of medical and dental imaging systems and IT solutions; X-ray imaging systems for non-destructive testing; and advanced materials for the precision films and electronics markets. Carestream has a global team of more than 7,000 employees in 150 countries. We are proud to be part of the Onex (TSX: OCX.TO) family of companies since 2007. Onex is one of Canada's largest and most respected corporations. Today, we are a global market leader in:

- Medical Imaging and Healthcare IT
- Dental Imaging and Practice Management Solutions
- Non-Destructive Testing
- Advanced Materials & Tollcoating

In the US, Carestream has universal nexus for sales tax and files returns accordingly. We have no business location in Illinois.

Summary

Issue 1:

Disallowed Tax Credits: Do Retailers' Occupation Tax ("ROT") credits for uncollected ROT constitute tax overpayments as contemplated under Sections 130.1501(a) and 35 ILCS 120/6?

Statement of Fact

Carestream made sales to two Illinois ("IL") customers ("Customers") prior to the audit period in August, September and December 2008. ROT was correctly billed and remitted pursuant to IL law on the 2007 ST-1 returns for the months of the sales transactions. (Exh D) The Customers subsequently claimed exemption from the sales tax in 2008; short paid the ROT billed and presented Carestream with valid IL exemption documents showing they were "*organized and operated exclusively for charitable purposes*". (Exh C) Internal tax credits were recorded to credit Customer accounts and reduce the IL sales tax accrual account in the month of the credit within the audit period. (Exh B) As the adjustment to the IL accrual account exceeded the tax liability for the months of the Customer credits, January and April 2008, zero IL returns were filed and the unapplied tax adjustments carried forward for application on the subsequent January through August 2008 ST-1 returns. (Exh A) The auditor verified the tax treatment of the 2007 transactions and the validity of the related exemption documents supporting the 2008 tax credits in the audit period. (Exh A,B,C,D,E)

It is important to emphasize that Carestream billed ROT to Customers and remitted the ROT under the ST-1's in 2007 but did not collect ROT from or refund ROT to Customers. The tax credits to Customers in 2008 were internal billing corrections.

Below is a summary of the audit period disallowed Customers ROT credits:*

Customer Name	Inv #	Date	Taxable Amt	Tax Amt (Remitted to State & Claimed as Credit on Future Return(s))
Customer A	176042631	8/31/2007	48,874.50	3,054.66
	176051717	9/7/2007	317,000.00	19,812.51
	176051718	9/28/2007	321,840.00	20,115.02
	176074436	12/10/2007	51,801.60	3,237.60
Total Invoiced A			739,516.10	46,219.79
Tax Credit A	175012067	1/30/2008	(739,516.10)	(46,219.79)
Customer B	176080137	12/28/2007	334,130.00	20,883.13
	176080138	12/28/2007	144,700.00	9,043.78
	176098324	2/27/2008	10,483.50	655.22
	176098635	2/28/2008	330,700.00	20,668.76
Total Invoiced B			820,013.50	51,250.89
Tax Credit B	175015140	4/11/2008	(820,013.50)	(51,250.89)
Total Tax Credits A&B				(97,470.68)
Disallowed Credits				\$76,146.70

*Customer Details redacted

The Illinois Department of Revenue (“DOR”) position was described in an auditor November 4, 2013 email as follows:

“... this issue was brought to Technical Review and was escalated by my Supervisor, Charles Frederick. A few key points conveyed by our people in technical review focus on the facts that to be valid, a claim must be submitted to the Department on the form provided by the Department (the ST-1-X) and contain all the elements required by Section 6a. of the Tax Act. Simply reducing reported tax in a future period does not constitute a valid claim under the ROT Act unless specifically authorized by the statute, as is the case with MPC. (See 86 Ill Admin Code 130.331(h) & (i) for more information). To qualify as a valid claim, the information for a 2007 overpayment needed to be provided to the Department on a proper return no later than June 30, 2010 or December 31, 2010 depending on the period in which the tax was incurred.

As stated above, the ROT Act contains no general provision which allows a taxpayer to carry forward credits and apply them as they need them. By failing to follow the proper procedures for reporting overpayments of tax, the Department is prevented from properly evaluating and verifying the appropriateness of the claims as required by the statute.

I have included the appropriate ST-1X form. This form is available on the Illinois Department of Revenue (IDOR) website under Forms. Here is the link, <http://tax.illinois.gov/TaxForms/Sales/index.htm> All the Illinois Tax Acts, Regulations and forms are available on the IDOR website...”

Customer tax credits were disallowed if the sales tax credited during the audit period was remitted on pre-audit period [2007] returns. The auditor presumption was that tax remitted on the 2007 returns constituted erroneous overpayments of tax and, therefore, required an amended return to be filed to request a credit for the overpayments within a three (3) year limitation which expired during the audit period in 2010.

Law and Analysis

The cited basis for the IDOR position in the email above, is unrelated to, or misinterprets, the law and facts in the audit as follows:

1. *“..., as is the case with MPC...” appears to have no relevance*
2. *“...86 Ill Admin Code 130.331(h) & (i)...” is unrelated to the issue and relates to “Manufacturer’s Purchase Credit”*
 - h) Retailers or Servicemen Accepting Manufacturer's Purchase Credit After Qualifying Purchases*
 - i) Manufacturers or Graphic Arts Producers Reporting Use of Manufacturer's Purchase Credit After Qualifying Purchases When Use Tax or Service Use Tax Was Already Paid Directly to the Department...”*
3. *“...By failing to follow the proper procedures for reporting overpayments of tax, the Department is prevented from properly evaluating and verifying the appropriateness of the claims as required by the statute...”*

By reference to the “ST-1X form” and the comment “...By failing to follow the proper procedures for reporting overpayments of tax,...”, the IDOR analysis described above may have intended to cite the following law:

Section 130.1501(a) states in part:

“ ... 1) Where a taxpayer under the Retailers' Occupation Tax Act pays to the Department an amount of tax or penalty or interest not due under the provisions of the Act, **either as the result of a mistake of fact or an error of law, such taxpayer may file a claim for credit with the Department...**” [Emphasis added]

Carestream did not request any tax credits for tax remitted on 2007 returns as no overpayments were considered to have been made. Even in the event of an overpayment, the law makes the filing of a claim for credit optional by the plain and unambiguous reading of the term “*may file a claim for credit with the Department*”. Since no refund of ROT was made to customers, no claim for credit was filed.

Ill. Admin. Code 130.535 Payment of the Tax, Including Quarter Monthly Payments in Certain Instances provides in part:

“ ...d) If any such payment or deposit provided for herein exceeds the taxpayer's present and probable future liabilities under the Retailers' Occupation Tax Act, the Use Tax Act, the Service Occupation Tax Act and the Service Use Tax Act, **the Department shall, if requested by the taxpayer, issue to the taxpayer a credit memorandum,** which may be submitted by the taxpayer to the Department in payment of tax liability subsequently to be remitted by the taxpayer to the Department or be assigned by the taxpayer to a similar taxpayer under the Retailers' Occupation Tax Act, the Use Tax Act, the Service Occupation Tax Act or the Service Use Tax Act. **If no such request is made, the taxpayer may credit such excess payment against tax liability subsequently to be remitted to the Department** under the Act, the Use Tax Act, the Service Occupation Tax Act or the Service Use Tax Act. If the Department subsequently determines that all or any part of the credit taken was not actually due to the taxpayer, the taxpayer's 2.1% and 1.75% vendor's discount shall be reduced by 2.1% or 1.75% of the difference between the credit taken and that actually due, and that taxpayer shall be liable for penalties and interest on such difference...” [Emphasis added]

Note that in the event that a taxpayer does not request a credit for an overpayment, credits taken on subsequent returns are subject to validation under audit. Therefore, the correct audit procedure for Carestream should have been the validation of the tax credits during the audit period and not a determination that the original tax remitted in 2007 was overpaid requiring ST-1X amended returns to request credits. Carestream preserved its right to justify the 2008 claimed credits within the statute of limitations by their inclusion in the 2008 ST-1 returns still covered under the current Statute of Limitations Waiver. Carestream met its burden of proof for claiming the credits through complete supporting documentation which was validated by the auditor. (Exh's A,B,C,D,E)

Ill. Admin. Code 130.2005 Persons Engaged in Nonprofit Service Enterprises and in Similar Enterprises Operated As Businesses, and Suppliers of Such Persons provides in part:

“...r) Reporting — Records — Burden of Proof

1) When a seller claims exemption from the Retailers' Occupation Tax for receipts received by the seller from his sale of tangible personal property to a corporation, society, association, foundation or institution organized and operated exclusively for charitable, religious or educational purposes, the seller should include such receipts in his Retailers' Occupation Tax return form, but then should deduct such receipts on the line provided for that purpose in the return form (see Subpart E of this Part).

2) The seller must maintain adequate books and records to sustain such deductions (see Subpart H of this Part).

(§130.2005 revised at 21 Ill. Reg. 12211, eff. 8-26-97; 24 Ill. Reg. 15104, eff. 10-2-00.)”
[Emphasis added]

On the question of requests for tax credit using the ST-1X, it is instructive to read the analysis contained in *Illinois Dept. of Rev. General Information Letter ST 03-0096-GIL, 07/10/2003* which states in part:

“...In other words, if a purchaser has paid tax to his supplier, only that supplier can file a claim for credit. The supplier must first refund tax money paid by the purchaser before proceeding with the claim. Once the supplier has done this, he or she must apply for the credit in the manner described in the regulation.

Suppliers are not required by law to apply for such credits; rather, this procedure is voluntary. Whether or not the supplier refunds the tax paid and files a claim for credit with the Department is a private matter between the supplier and the purchaser. As to any claim for credit filed with the Department on and after each January 1 and July 1 no amount of tax or penalty or interest erroneously paid (either in total or partial liquidation of a tax or penalty or amount of interest under the Act) more than 3 years prior to such January 1 and July 1, respectively, shall be credited...”

Carestream neither incorrectly collected or remitted ROT and could not have filed ST-1X returns since no tax was refunded to Customers as required under the above analysis. Furthermore, the filing of the ST-1X requesting tax credit is not mandatory. Customer tax credits were generated within five(5) months of the sales and placed the burden on Carestream of recapturing the tax remitted as offsets against tax liabilities over an eight (8) month period in 2008 within one(1) year of the original returns.(Exh A)

Implicit in our analysis is the fact that Customers tax credits were transactions. Absent a statutory definition, Merriam-Webster defines “transaction” as:
“a business deal: an occurrence in which goods, services, or money are passed from one person, account, etc., to another”

The ROT is a transactional tax. It is imposed on a transaction by transaction basis. By definition, a customer tax credit is a transaction that reclassifies money from Accounts Receivable to ROT Payable. The facts at the time of the customer tax credits in 2008 were that, based upon the receipt of valid IL exemption documents, Carestream was required to credit tax to Customers given their refusal to pay ROT. To accomplish this, transactions were created between Carestream and the Customers by way of tax credits. These transactions reduced the Carestream ROT liability for the month of the credits in the audit period, still covered under the Statute of Limitations Waivers executed for the completion of the audit. We contend that remittances in 2007 were neither through a mistake of fact or an error of law. Clearly, the

original tax remitted in 2007 was lawful related to the taxable sales transactions. Similarly, the tax credit transactions during the audit period were lawful related to the receipt of valid exemption documents from Customers.

In *ABC BANK, Taxpayer v. THE DEPARTMENT OF REVENUE OF THE STATE OF ILLINOIS*, ST 12-19, 12/11/2012, the court opined:

“...35 ILCS 120/6.

*Section 6 of the ROTA “is a special remedial statute. Its general purpose is limited to those who have paid a tax pursuant to the act which, **by reason of some mistake of law or fact**, they should not have paid.”* *Peoples Store of Roseland v. McKibben*, 379 Ill. 148, 152, 39 N.E.2d 995, 998 (1942). More to the point, ROTA § 6 makes clear that the reason why retailers are entitled to a refund of tax they should not have paid is because tax, or some portion of it, was not due in the first place...” [Emphasis added]

The facts at the time of the sales transactions in 2007 were that no exemption documents were presented by the Customers to Carestream in order to exempt the sales from ROT and we were legally required under the Retailers' Occupation Tax Act to bill and remit the tax.

35 ILCS § 120/1 states in part:

“...Sec. 1. Definitions. “Sale at retail” means any transfer of the ownership of or title to tangible personal property to a purchaser, for the purpose of use or consumption, and not for the purpose of resale in any form as tangible personal property to the extent not first subjected to a use for which it was purchased, for a valuable consideration:...”

35 ILCS § 120/2 states in part:

“...Sec. 2. Tax imposed. A tax is imposed upon persons engaged in the business of selling at retail tangible personal property,...”

The subsequent receipt of valid IL exemption documents from the Customers in 2008 effectively claimed a sales tax exemption after the fact requiring tax credit transactions. The facts at the time of the sales transactions in 2007 were unaffected. Therefore, the sales tax was due on the sales and we were required to bill and remit the tax. Tax credits generated under these circumstances after the fact and during the audit period, correctly reversed tax that was correctly billed and remitted.

Procedures to correctly accrue and remit and later correctly adjust the sales tax accrual account for tax credits are universal compliance practices. Routine sales tax accrual account adjustments can also occur for a number of other transactions. For example, when a customer purchases and later returns taxable items, in whole or in part within the statute of limitations, an invoice credit may be issued and the sales tax accrual account adjusted accordingly. In this example, no overpayment of tax was made for the original taxable transaction and no ST-1X amended return was required to obtain a credit approval to correctly adjust the sales tax accrual account by way of a customer credit.

In a “what-if” analysis, if tax correctly remitted and later correctly adjusted, as in our case, requires amended returns, an impossible administrative burden would exist for both taxpayers and the IDOR. In a likely worst case scenario, every monthly return for every taxpayer would

require up to thirty six (36) amended returns dating back thirty six (36) months, due to the Statute of Limitations, for a total of seven hundred and two (702) returns in a three (3) year audit period. It is highly doubtful that taxpayers could comply or that the IDOR would have the resources to manage such a massive increase in return processing or auditing.

Sections 130.1501(a) and 35 ILCS 120/6 are silent as to the requirements under the facts in this case where Carestream neither collected from or refunded ROT to customers. The law above only considers tax paid in error by purchasers to retailers for which the retailer may request a credit from the IDOR.

In VAN'S MATERIAL COMPANY, INC., Appellee, v. THE DEPARTMENT OF REVENUE et al., Appellants., 131 Ill 2d 196 137 Ill Dec 42 545 NE2d 695, 09/27/1989, the court noted:

*"...In construing a taxing statute, as correctly noted by the appellate court, this court has long held that "[t]axing statutes are to be strictly construed. Their language is not to be extended or enlarged by implication, beyond its clear import. **In cases of doubt they are construed most strongly against the government and in favor of the taxpayer.**" Mahon v.*

*Nudelman (1941), **377 Ill. 331, 335**; see also *Canteen Corp. v. Department of Revenue (1988), **123 Ill. 2d 95, 105**; *Chet's Vending Service, Inc. v. Department of Revenue (1978), **71 Ill. 2d 38, 42**...***

*In strictly construing the similar provisions of the Use Tax Act and the ROTA, the primary rule is to ascertain and give effect to the intention of the legislature, and that inquiry must begin with the language of the statute. (*Canteen Corp. v. Department of Revenue (1988), **123 Ill. 2d 95, 104** ; *Metropolitan Life Insurance Co. v. Washburn (1986), **112 Ill. 2d 486, 492**.) In addition to considering the language of the statute, a court may properly consider the purposes to be attained by the law, the necessity for the law and **the evils sought to be remedied**. (*Canteen Corp.*, 123 Ill. 2d at 104; *Stewart v. Industrial Comm'n (1987), 115 Ill. 2d 337, 341.), ... We also note that, generally, administrative interpretations of a statute promulgated by the agency charged with the administration and enforcement of the statute receive some respect and deference from the courts, but they are clearly not binding on the courts. "[Empasis added]****

The application of Section 130.1501(a) and 35 ILCS 120/6 to the customer tax credits issue in this case is an error as the law narrowly applies to amounts not due or erroneously overpaid by purchasers and retailers but not retailers alone. We believe the "evil" intended to be remedied by the law was the possibility of:

1. purchasers obtaining ROT refunds from both the retailer and directly from the IDOR for the same ROT paid to the retailer and
 2. retailers claiming ROT credits from the IDOR without first refunding the ROT to purchasers.
- Neither possibility occurred in this case. Our analysis shows that the ST-1X cannot be approved absent proof that the ROT was refunded to the Customers. Further, the law is silent as to ROT adjustments by retailers. Such adjustments were rightly validated under audit.

We contend that the tax billed to Customers and remitted to IDOR prior to the audit period in 2007 was, in fact, legally due to IL and no claim to recover the tax by way of an ST-1X amended return was warranted when Carestream opted to apply Customers tax credits during the audit period in 2008 to correct the ROT payable accordingly.

Requested Disposition

We respectfully disagree with the IDOR legal position on this issue and request a revision of the audit results to reflect the allowance of \$76,146.70 in Customers tax credits during the audit.

Issue 2:

Penalty Compromise: Is reasonable cause established

Statement of Fact

Late Payment penalties of \$xx,xxxx were applied in the audit related to:

1. unreported use tax (\$939) on a charitable donation of an x-ray system - agreed
2. untaxed taxable sales (tax \$7,285) - agreed
3. disallowed customer tax credits (\$76,146) - not agreed (Issue 1).

Unreported Use Tax

The auditor provided press information on the donation of X-ray equipment to an IL customer. After extensive internal inquiries, information on the donated X-ray system was confirmed in discussions with the Carestream Public Relations Office. As a relatively new company at the time of the donation, Carestream lacked a process to surface such transactions for tax purposes. The Tax compliance team had no information on the donation until the audit and no way to prevent the non-compliance absent a process to capture the necessary information such as ship-to state and taxable value. The noncompliance was the result of faulty internal communications with Carestream Tax. Historical manufactured cost records for the donated equipment were researched to determine the taxable basis for use tax. The auditor scheduled the cost for use tax.

Untaxed Taxable Sales

Untaxed taxable sales related primarily to incorrect product tax codes. Several products master data records were coded as nontaxable in error. As a result, \$116,563 in sales to taxable IL Customers were not taxed. Once identified during the audit, data codes were corrected.

A request for penalty abatement was denied in an auditor email which stated in part:

"...Carestream Health did not exercise ordinary business care and prudence in determining the proper way to report the refund of sales tax on account of their customer supplying a valid exemption certificate after the tax had been reported to the Department on a previous return. Instead of filing amended returns during the statutory period for filing a claim for credit as permitted by the statutes, the taxpayer erroneously decided to take the credit on future returns. The taxpayer also did not exercise ordinary business care and prudence in determining their use tax liability on the donation of an x-ray machine to a museum. As the donor who purchased the property and gave it away, the taxpayer made a taxable use of the property when making the gift, per 86 Ill. Adm. Code 150.305(c). The taxpayer did not make an attempt to contact the department or a tax professional to determine the proper way to handle these transactions. Ignorance of the law is not a basis for granting abatement of penalty under reasonable cause. The taxpayer's request for abatement of penalty is DENIED..."

Since the commencement of business in May 2007, Carestream has expended significant resources to ensure the highest level of sales and use tax compliance. This included the engagement of outside counsel and consultants along with the assembly of an indirect tax team with over 100 years of combined experience in sales and use tax compliance. Carestream subjects all sales to strict process and system compliance controls on the taxability of products, customers and timely return processing. Identified errors are quickly corrected to ensure the accuracy of reported taxes. For IL reporting, Carestream also maintains a sophisticated system of calculating monthly use tax on supplies and parts consumed in Equipment Maintenance Agreement (EMA) sales. The audit of this and most other areas of compliance found no errors.

Law and Analysis

Part 700 UNIFORM PENALTY AND INTEREST ACT, Subpart D Reasonable Cause provides in part:

“...Ill. Admin. Code 700.400 Reasonable Cause.

- a) *The penalties imposed under the provisions of Sections 3-3, 3-4, 3-5, and 3-7.5 of the Act **shall not apply if the taxpayer shows that his failure to file a return or pay tax at the required time was due to reasonable cause...***
- b) *The determination of whether a taxpayer acted with reasonable cause shall be made on a case by case basis taking into account all pertinent facts and circumstances. **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 his proper tax liability and to file and pay his proper liability in a timely fashion...***
- d) *The Department will also consider a taxpayer's filing history in determining whether the **taxpayer acted in good faith in determining and paying his tax liability.** Isolated computational or transcriptional errors will not generally indicate a lack of good faith in the preparation of a taxpayer's return. [Emphasis added]*

This is the first ROT IL audit. During the audit period, Carestream remitted approximately \$325,000 in sales tax. The non-compliance identified in the audit represents de minimus error overall. Carestream makes good faith efforts to fully comply with the tax laws, corrects errors when detected and any noncompliance is due to reasonable cause.

Contrary to the email denying penalty abatement above, the implication that Carestream had knowledge of the tax due on donated equipment is false. Carestream did not purchase the X-ray system to donate as claimed. Rather, Carestream manufactures X-ray systems for sale and not for donation. Unless a donation transaction flows through the sales and billing systems, no tax decision can be made unless a control process surfaces the transaction for manual processing. The instant noncompliance constituted an error outside normal compliance processes for use tax determination.

“...e) Examples of Reasonable Cause.

- 4) *Inability to timely obtain records necessary to determine the amount of tax due to reasons **beyond the taxpayer's control...**”*
- 7) *Reasonable cause will exist for purposes of abatement of the penalty if a taxpayer makes an honest mistake.,*

Should late payment penalty be determined applicable under Issue 1, then we contend that the auditor delayed discovery of the issue preventing a timely filing of returns. In June 2010 the auditor began the examination and had the Carestream IDOR account history showing zero returns in the early months of the audit period. This should have triggered priority inquiries given the general taxability of Carestream products. An early inquiry would have discovered the use of carry forward credits and allowed the timely filing of any required amended returns to avoid the audit issue. The question of customer credits was raised as an issue late in 2013, long after the three year limitation to claim a credit on amended returns for alleged overpayments of tax. The auditor requested all supporting documents for the customer credits during the audit period including prior audit period invoices, returns reconciliations, tax credits and exemption documents. All were provided to and validated by the auditor. (Exh's A,B,C,D)

By not advising Carestream timely under audit on an amended return requirement, we were denied the opportunity to timely remedy any non-compliance. Any required amended returns could have been timely filed to avoid the disallowance of customer credits.

- 9) *The Department gave erroneous information, **or delayed a process under its control**. In making such a determination the Department will consider:...*

*D) Did an employee who was acting in an official capacity and was authorized to provide assistance **provide the advice?**..." [Emphasis added]*

The lack of clarity in the law is demonstrated by the IDOR email above explaining the law using unrelated legal citations. Further, the audit issue was unclear to the auditor, the audit manager and senior IDOR management. IDOR official materials do not provide comprehensive guidance for taxpayers on the required treatment of customer tax credits, and other adjustments to the tax accrual account, when tax is billed and remitted correctly on sales transactions.

THE DEPARTMENT OF REVENUE OF THE STATE OF ILLINOIS v. ABC GRAPHICS, INC., Taxpayer, ST 10-13, 07/28/2010 states in part:

*"...A determination of whether a taxpayer exercised ordinary business care and prudence is dependent upon the **clarity of the law** or its interpretation..." [Emphasis added]*

THE DEPARTMENT OF REVENUE OF THE STATE OF ILLINOIS v. COFFEE HOUSE, Taxpayer, ST 02-29, 09/13/2002 states in part:

*"...The **type of information that is available to a taxpayer is a fact that is relevant** to whether it exercised ordinary business care and prudence. See 86 Ill. Admin. Code, ch. I, § 700.400 (b), (c)... " [Emphasis added]*

Overall, after more than three (3) years of audit, the review of very large electronic data files and several thousand hard copy documents, the audit found the Carestream compliance and payment history to have been timely and overwhelmingly correct.

THE DEPARTMENT OF REVENUE OF THE STATE OF ILLINOIS v. COFFEE HOUSE, Taxpayer, ST 02-29, 09/13/2002 states in part:

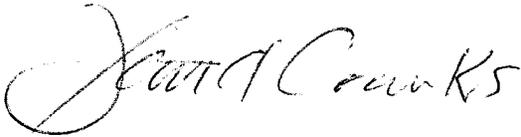
*"... A taxpayer's **filing and payment history is a fact properly taken into account** when considering whether a taxpayer has made a good faith effort to file its return in a timely fashion. 86 Ill. Admin. Code, ch. I, § 700.400(d). The taxpayer's prior filing history, therefore, mitigates in favor of the taxpayer..." [Emphasis added]*

Requested Disposition

We respectfully disagree with the IDOR contention that Carestream failed to exercise ordinary care and prudence in its compliance. The facts clearly show that reasonable cause existed for the noncompliance and support our request that Late Payment Penalties be fully abated. The application of late payment penalties in the audit is unwarranted and punitive.

Your consideration of our protest and requests in this matter is much appreciated.

Sincerely,



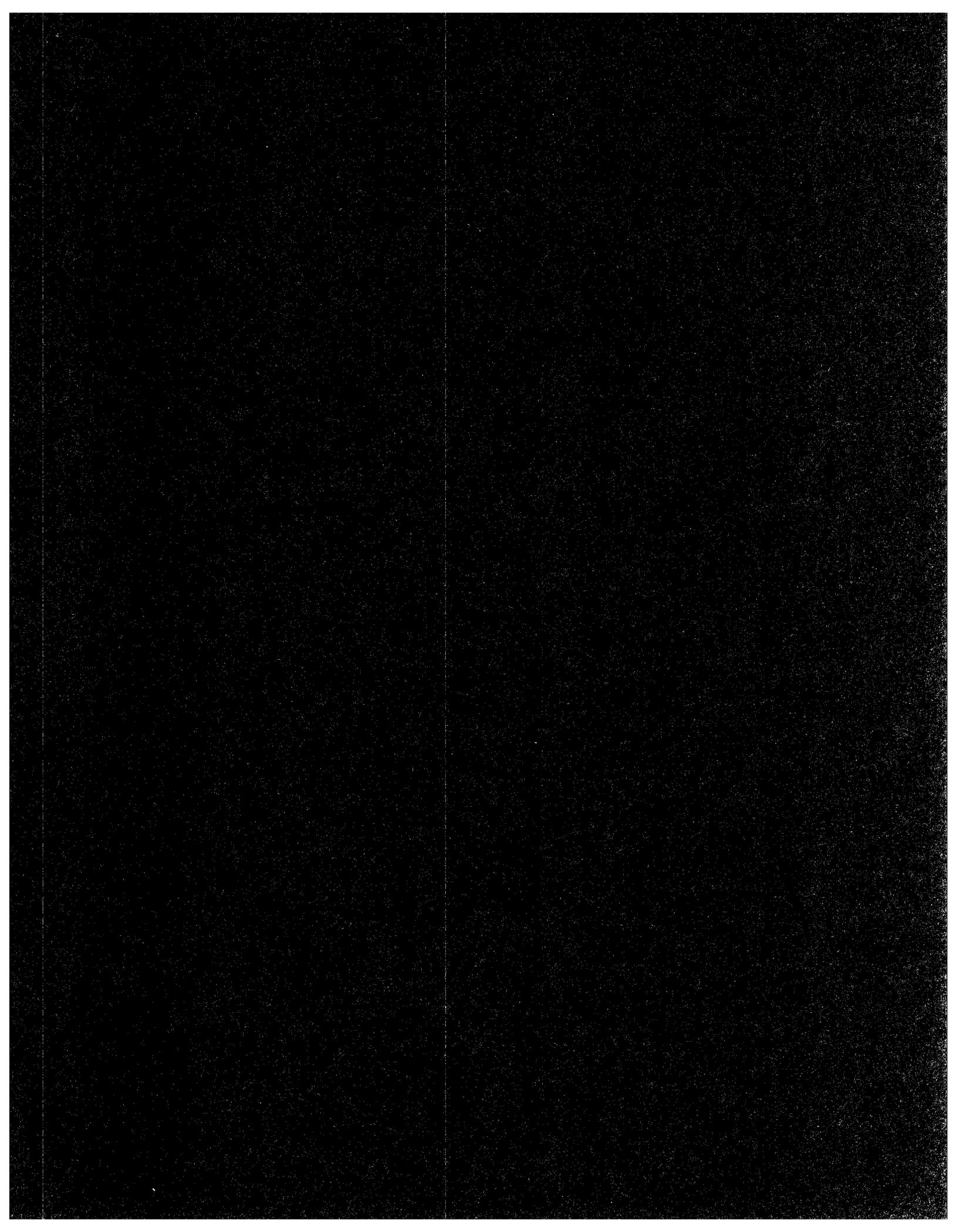
David Cranks, CPA
Senior Tax Manager

David.Cranks@Carestream.com
Office: 585-627-6636

Attachments

Via Certified Mail

cc Illinois Department of Revenue
Office of Legal Services
100 W. Randolph St., 7-900
Chicago, IL 60601



Notice of Tax Liability
for Form EDA-105-R, ROT Audit Report



_____ #BWNKMGV
_____ #CNXX X1X1 2382 9441#
_____ CARESTREAM HEALTH INC
_____ ATTN: TAX PARTNERS LLC
_____ 2200 CABOT DR STE 300
_____ LISLE IL 60532-0914

February 20, 2014



Letter ID: CNXXX1X123829441

Account ID: 5548-8978



We have audited your account for the reporting periods January 01, 2008, through June 30, 2009. As a result we have assessed the amounts shown below.

	<u>Liability</u>	<u>Payments/Credit</u>	<u>Unpaid Balance</u>
Tax	59,726.00	(55,878.10)	3,847.90
Late Payment Penalty Increase	30,203.00	0.00	30,203.00
Late Filing Penalty Increase	1,022.00	0.00	1,022.00
Interest	20,467.71	0.00	20,467.71
Assessment Total	\$111,418.71	(\$55,878.10)	\$55,540.61

If you agree, pay the assessment total as soon as possible to minimize additional penalty and interest. Mail a copy of this notice and your payment with the voucher on the enclosed Taxpayer Statement. By including a copy of this notice, your payment will be properly applied to the audit liability.

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

- If the amount of this tax liability, exclusive of penalty and interest, is more than \$15,000, or if no tax liability 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 that do not fall within the jurisdiction of the Illinois Independent Tax Tribunal, file a protest with us, the Illinois Department of Revenue, and request an administrative hearing within 60 days of the date of this notice, which is April 21, 2014. Submit your protest on Form AH-4, Protest and Request for Administrative Hearing with the Illinois Department of Revenue (available on our website at tax.illinois.gov). Mail form AH-4 along with a copy of this notice to the address on the form. If you do not file a protest within the time allowed, you will waive your right to a hearing, and this liability will become final. An administrative hearing is a formal legal proceeding conducted pursuant to the rules adopted by the Department and is presided over by an administrative law judge. A protest of this notice does not preserve your rights under any other notice.
- Instead of filing a petition with the Illinois Independent Tax Tribunal or a protest with us, the Illinois Department of Revenue, 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 liability 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 assessment total 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 to satisfy your liability.

If you have questions, write or call us weekdays between 8:00 a.m. and 4:00 p.m. Our contact information is listed below.

BUREAU OF AUDITS
TECHNICAL REVIEW SECTION
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19012
SPRINGFIELD IL 62794-9012

217 785-6579

Notice of Tax Liability

for Form EDA-105-R, ROT Audit Report



#BWNKMGV
#CNXX X174 2712 16X7#
CARESTREAM HEALTH INC
ATTN: TAX PARTNERS LLC
2200 CABOT DR STE 300
LISLE IL 60532-0914

February 20, 2014



Letter ID: CNXXX174271216X7

Account ID: 5548-8978



We have audited your account for the reporting periods July 01, 2009, through June 30, 2010. As a result we have assessed the amounts shown below.

	<u>Liability</u>	<u>Payments/Credit</u>	<u>Unpaid Balance</u>
Tax	3,419.00	(3,419.00)	0.00
Late Payment Penalty Increase	539.00	(539.00)	0.00
Interest	5.90	(5.90)	0.00
Assessment Total	\$3,963.90	(\$3,963.90)	\$0.00

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

- If the amount of this tax liability, exclusive of penalty and interest, is more than \$15,000, or if no tax liability 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 that do not fall within the jurisdiction of the Illinois Independent Tax Tribunal, file a protest with us, the Illinois Department of Revenue, and request an administrative hearing within 60 days of the date of this notice, which is April 21, 2014. Submit your protest on Form AH-4, Protest and Request for Administrative Hearing with the Illinois Department of Revenue (available on our website at tax.illinois.gov). Mail form AH-4 along with a copy of this notice to the address on the form. If you do not file a protest within the time allowed, you will waive your right to a hearing, and this liability will become final. An administrative hearing is a formal legal proceeding conducted pursuant to the rules adopted by the Department and is presided over by an administrative law judge. A protest of this notice does not preserve your rights under any other notice.
- Instead of filing a petition with the Illinois Independent Tax Tribunal or a protest with us, the Illinois Department of Revenue, 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 liability 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 assessment total 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 to satisfy your liability.

If you have questions, write or call us weekdays between 8:00 a.m. and 4:00 p.m. Our contact information is listed below.

BUREAU OF AUDITS
TECHNICAL REVIEW SECTION
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19012
SPRINGFIELD IL 62794-9012

217 785-6579



Illinois Department of Revenue

Joseph Nardecchia
Illinois Department of Revenue
101 West Jefferson, SPI-A
P.O. Box 19475
Springfield, IL 62794-9475

November 1, 2013

Carestream Health, Inc.
150 Verona Street
Rochester, NY 14608-1733

RE: Illinois Sales and Use Tax Audit
Registration #: 5548-8978

Audit period: 1/01/2008 through 6/30/2010

Dear Mr. Cranks,

I have completed my examination of all the information presented to me regarding this audit, the results of which are attached. I have calculated interest through November 8, 2013. **Interest will increase daily at the rate of \$6.10 per day past that. Additionally, if not paid within 30 days, penalties will also increase to \$29,887.24, an increase of \$7,471.82.** If paid past the interest through date of November 8, 2013, daily interest charges must be added through the date of post mark and include with your payment.

If payment is made past November 8, 2013, add \$6.10 per day past that.

Please make check payable to:
Illinois Department of Revenue

Mail to:
101 West Jefferson, SPI-A
P.O. Box 19475
Springfield, IL 62794-9475
Attn: Leesa Crumly

Mail signed EDA-105 to:

Joseph Nardecchia
Illinois Department of Revenue
87 Miami Parkway
Buffalo, NY 14225-4221

If you agree with these results I need to prepare two additional forms, EDA-123 Notice of Proposed Liability, and EDA-143S Notice of Audit Results. I can get these generated and to you promptly upon your acceptance of the attached results.

If you have any questions or need specific details on the information required, please feel free to call me at 217-836-7319.

Sincerely,

Joseph Nardecchia

Joseph Nardecchia
Revenue Auditor
Illinois Department of Revenue
JOSEPH.NARDECCHIA@illinois.gov



Account ID 5548-8978
 Business name CARESTREAM HEALTH INC
 Business address 150 VERONA ST
ROCHESTER, NY 14608-1733

Processing period 01/01/2008 - 06/30/2009
 Interest through (issue) date 11/08/2013
 Earliest statute date 03/31/2014
 Audit period 01/01/2008 - 06/30/2010

Step 1: Taxes due per audit

The line numbers in Step 1 of this report mirror those on Form ST-1.

Sales made from locations inside Illinois

Retailers/service occupation tax

4b General merchandise 4b 0
 5b Food and drug 5b 0

Sales made from locations outside Illinois

Retailers/service occupation tax

6b General merchandise 6b 80013
 7b Food and drug 7b 0

Sales at other rates

Retailers/service occupation tax

8b General merchandise 8b 0

Total tax due on receipts

11 Total tax due on receipts
 (Add Lines 4b through 8b.) 11 80013

Tax on purchases

Use tax on purchases

12b General merchandise 12b -69181
 13b Food and drug 13b 0
 15 Total tax due on purchases
 (Add Lines 12b through 13b.) 15 -69181

16 Total tax or credit due on receipts and purchases
 (Add Lines 11 and 15.) 16 10832
 22 Excess tax collected 22 0
 23 Total tax due
 (Add Lines 16 and 22.) 23 10832

Step 2: Penalty and interest due

26 Penalty
 a Penalty (prior to 12/93) 26a 0
 b Late-filing penalty 26b 0
 c Negligence penalty 26c 0
 d Fraud penalty 26d 0
 e Late-payment penalty (12/03 and after) 26e 22012
 27 Interest
 a Interest on tax 27a 18041
 b Interest on late-filing penalty 27b 0
 c Interest on negligence/fraud penalty 27c 0

Step 3: Amount due or overpaid

28 Total due or overpaid
 (Add Lines 23 and 27c.) 28 50885

Step 4: Read and sign below

Under penalties of perjury, I state that I have examined this report and, to the best of my knowledge, it is true, correct, and complete. By signing this report, I waive the right to seek review by the Informal Conference Board.

Taxpayer's signature _____ Title _____ Date _____

Auditor's signature _____ Title _____ Date _____

Official use only. Do not write below this line.

Late-payment penalty (prior to 12/03)	<u>0</u>	Total audit payments	_____
Late-payment penalty interest	<u>0</u>	MPC amount	_____
Tier 2 late-filing penalty	_____	Track number	<u>A1750801024</u>
Tier 2 late-filing penalty interest	_____	Date received	_____
		AL EL NF MA AD	_____
		Remittance amount	_____

*423 called IL Auditor (Springfield) Jo Ann Collins
 (217) 557 8769*



Account ID 5548-8978
Business name CARESTREAM HEALTH INC
Business address 150 VERONA ST
ROCHESTER, NY 14608-1733

Processing period 07/01/2009 - 06/30/2010
Interest through (issue) date 11/08/2013
Earliest statute date 03/31/2014
Audit period 01/01/2008 - 06/30/2010

Step 1: Taxes due per audit

The line numbers in Step 1 of this report mirror those on Form ST-1.

Sales made from locations inside Illinois

Retailers/service occupation tax
4b General merchandise 4b 0
5b Food and drug 5b 0

Sales made from locations outside Illinois

Retailers/service occupation tax
6b General merchandise 6b 3419
7b Food and drug 7b 0

Sales at other rates

Retailers/service occupation tax
8b General merchandise 8b 0

Total tax due on receipts

11 Total tax due on receipts (Add Lines 4b through 8b.) 11 3419

Tax on purchases

Use tax on purchases
12b General merchandise 12b -13328
13b Food and drug 13b 0
15 Total tax due on purchases (Add Lines 12b through 13b.) 15 -13328

16 Total tax or credit due on receipts and purchases (Add Lines 11 and 15.) 16 -9909
22 Excess tax collected 22 0
23 Total tax due (Add Lines 16 and 22.) 23 -9909

Step 2: Penalty and interest due

26 Penalty
a Penalty (prior to 12/93) 26a 0
b Late-filing penalty 26b 0
c Negligence penalty 26c 0
d Fraud penalty 26d 0
e Late-payment penalty (12/03 and after) 26e 404
27 Interest
a Interest on tax 27a -1098
b Interest on late-filing penalty 27b 0
c Interest on negligence/fraud penalty 27c 0

Step 3: Amount due or overpaid

28 Total due or overpaid (Add Lines 23 and 27c.) 28 -10603

Step 4: Read and sign below

Under penalties of perjury, I state that I have examined this report and, to the best of my knowledge, it is true, correct, and complete. By signing this report, I waive the right to seek review by the Informal Conference Board.

Taxpayer's signature Title Date

Auditor's signature Title Date

Official use only. Do not write below this line.

Late-payment penalty (prior to 12/03) 0
Late-payment penalty interest 0
Tier 2 late-filing penalty
Tier 2 late-filing penalty interest
Total audit payments
MPC amount
Track number A1750801024
Date received
AL EL NF MA AD
Remittance amount



Illinois Department of Revenue
Sales Tax Audit System
Schedule 1 - Summary Analysis

Date: 11/01/2013
Time: 16:26:46
Page: 1

IBT: 5548-8978
Taxpayer: CARESTREAM HEALTH INC

Auditor: Joseph Nardecchia

<u>Item Description</u>	<u>Tax Type/Str Codes</u>	<u>Exception Amount</u>	<u>Rate</u>	<u>Tax Amount</u>	<u>Tax Paid</u>	<u>Net Tax Due</u>	<u>Total</u>
UT/SUT Receipts Adjustment	ROT / 11-100	\$116,563.12	06.25%	\$7,285.19	\$0.00	\$7,285.19	\$7,285.19
UT/SUT Receipts Adjustment - CR DENY	ROT / 11-101	\$1,218,346.10	06.25%	\$76,146.64	\$0.00	\$76,146.64	\$76,146.64
Consumable Supplies Use Tax Adjustment	ROT / 31-100	-\$1,335,171.71	06.25%	-\$83,448.23	\$0.00	-\$83,448.23	-\$83,448.23
Consumable Supplies Use Tax Adjustment - DONATION	ROT / 31-101	\$15,023.96	06.25%	\$939.00	\$0.00	\$939.00	\$939.00
Total Additional Tax							\$922.60



Illinois Department of Revenue

Sales Tax Audit System

Schedule 2-A Interest Computation

Date: 11/01/2013

Time: 13:42:30

Page: 1

Taxpayer: CARESTREAM HEALTH INC IBT: 5548-8978 Audit Period: 01/01/2008 through 06/30/2010
Tax Type: ROT Interest Thru Date: 11/08/2013 Detail Liability: \$922.60 Average Liability: \$0.00

Auditor: Joseph Nardecchia

<u>Month</u>	<u>Detail Liability</u>	<u>Average Liability</u>	<u>Prepayment</u>	<u>Total Liability</u>	<u>Rate</u>	<u>Interest</u>
01/2008	\$45,350.35	\$0.00	\$0.00	\$45,350.35	39.2107	\$17,782.19 #
02/2008	(\$4,650.80)	\$0.00	\$0.00	(\$4,650.80)	19.0492	(\$885.94)
03/2008	(\$3,020.64)	\$0.00	\$0.00	(\$3,020.64)	18.4546	(\$557.44)
04/2008	\$26,702.31	\$0.00	\$0.00	\$26,702.31	35.7585	\$9,548.34 #
05/2008	(\$3,049.76)	\$0.00	\$0.00	(\$3,049.76)	17.2847	(\$527.14)
06/2008	(\$1,425.68)	\$0.00	\$0.00	(\$1,425.68)	16.8189	(\$239.78)
07/2008	(\$2,131.37)	\$0.00	\$0.00	(\$2,131.37)	16.3943	(\$349.42)
08/2008	(\$824.91)	\$0.00	\$0.00	(\$824.91)	15.9697	(\$131.73)
09/2008	(\$9,639.42)	\$0.00	\$0.00	(\$9,639.42)	15.5587	(\$1,499.77)
10/2008	(\$1,722.06)	\$0.00	\$0.00	(\$1,722.06)	15.1341	(\$260.62)
11/2008	(\$23,645.48)	\$0.00	\$0.00	(\$23,645.48)	14.7231	(\$3,481.36)
12/2008	(\$4,176.81)	\$0.00	\$0.00	(\$4,176.81)	14.2985	(\$597.22)
01/2009	(\$1,337.79)	\$0.00	\$0.00	(\$1,337.79)	13.8739	(\$185.60)
02/2009	(\$1,142.35)	\$0.00	\$0.00	(\$1,142.35)	13.4903	(\$154.11)
03/2009	(\$2,455.89)	\$0.00	\$0.00	(\$2,455.89)	13.0657	(\$320.88)
04/2009	(\$1,389.13)	\$0.00	\$0.00	(\$1,389.13)	12.6548	(\$175.79)
05/2009	(\$1,928.25)	\$0.00	\$0.00	(\$1,928.25)	12.2301	(\$235.83)
06/2009	\$1,319.19	\$0.00	\$0.00	\$1,319.19	23.7479	\$313.28 #
07/2009	(\$4,535.15)	\$0.00	\$0.00	(\$4,535.15)	11.5342	(\$523.09)
08/2009	(\$3,474.04)	\$0.00	\$0.00	(\$3,474.04)	11.1945	(\$388.90)
09/2009	\$2,068.97	\$0.00	\$0.00	\$2,068.97	10.8657	\$224.81
10/2009	(\$2,173.53)	\$0.00	\$0.00	(\$2,173.53)	10.5260	(\$228.78)
11/2009	(\$638.24)	\$0.00	\$0.00	(\$638.24)	10.1972	(\$65.08)
12/2009	(\$460.00)	\$0.00	\$0.00	(\$460.00)	9.8575	(\$45.34)
01/2010	(\$1,320.45)	\$0.00	\$0.00	(\$1,320.45)	9.5178	(\$125.68)
03/2010	\$363.90	\$0.00	\$0.00	\$363.90	8.8712	\$32.28
04/2010	\$124.75	\$0.00	\$0.00	\$124.75	8.5424	\$10.66
05/2010	\$87.39	\$0.00	\$0.00	\$87.39	8.2027	\$7.17
06/2010	\$47.49	\$0.00	\$0.00	\$47.49	7.8739	\$3.74
Total:	\$922.60	\$0.00	\$0.00	\$922.60		\$16,942.97

Interest increased due to amnesty



Illinois Department of Revenue

Sales Tax Audit System Schedule 2-B Penalty Computation

Date: 11/01/2013
Time: 13:48:27
Page: 1

Taxpayer: CARESTREAM HEALTH INC IBT: 5548-8978 Audit Period: 01/01/2008 through 06/30/2010
Tax Type: ROT Interest Thru Date: 11/08/2013

Auditor: Joseph Nardecchia

Late Filing

This penalty was not assessed for any periods.

Late Payment

<u>Filing Period</u>	<u>Tax Amount</u>	<u>Penalty</u>		<u>Interest</u>		<u>Total</u>
		<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>	
01/2008	\$45,350.35	30.00%	\$13,605.10	0.00%	\$0.00	\$13,605.10 #
04/2008	\$26,702.31	30.00%	\$8,010.69	0.00%	\$0.00	\$8,010.69 #
06/2009	\$1,319.19	30.00%	\$395.76	0.00%	\$0.00	\$395.76 #
09/2009	\$2,068.97	15.00%	\$310.35	0.00%	\$0.00	\$310.35
03/2010	\$363.90	15.00%	\$54.58	0.00%	\$0.00	\$54.58
04/2010	\$124.75	15.00%	\$18.71	0.00%	\$0.00	\$18.71
05/2010	\$87.39	15.00%	\$13.11	0.00%	\$0.00	\$13.11
06/2010	\$47.49	15.00%	\$7.12	0.00%	\$0.00	\$7.12
Total Late Payment	\$76,064.35		\$22,415.42		\$0.00	\$22,415.42

Negligence

This penalty was not assessed for any periods.

Fraud

This penalty was not assessed for any periods.

Grand Total	Penalty	Interest	Total
	\$22,415.42	\$0.00	\$22,415.42

Penalty/interest increased due to amnesty



Illinois Department of Revenue

Sales Tax Audit System

Projected Data Results

Date: 11/01/2013

Time: 16:25:42

Page: 1

Taxpayer: 5548-8978/CARESTREAM HEALTH INC Audit Period: 01/01/2008 through 06/30/2010

Auditor: Joseph Nardecchia

Selection Criteria

Tax Code: 11 UT/SUT Receipts Adjustment

Exam Type: 100 UT/SUT Receipts Adjustment

Additional Tax Base: \$116,563.12

<u>Location</u>	<u>Name</u>	<u>Rate</u>	<u>Rate Period</u>	<u>Taxable Amount</u>	<u>Tax Due</u>
999 0001 1	OUT OF STATE	06.25	1990 01 - Current	\$116,563.12	\$7,285.19
				<hr/> \$116,563.12	<hr/> \$7,285.19



Illinois Department of Revenue

Sales Tax Audit System

Projected Data Results

Date: 11/01/2013

Time: 16:25:42

Page: 2

Auditor: Joseph Nardecchia

Taxpayer: 5548-8978/CARESTREAM HEALTH INC Audit Period: 01/01/2008 through 06/30/2010

Selection Criteria

Tax Code: 11 UT/SUT Receipts Adjustment

Exam Type: 101 UT/SUT Receipts Adjustment - CR DENY

Additional Tax Base: \$1,218,346.10

<u>Location</u>	<u>Name</u>	<u>Rate</u>	<u>Rate Period</u>	<u>Taxable Amount</u>	<u>Tax Due</u>
999 0001 1	OUT OF STATE	06.25	1990 01 - Current	\$1,218,346.10	\$76,146.64
				\$1,218,346.10	\$76,146.64



Illinois Department of Revenue

Sales Tax Audit System

Projected Data Results

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Taxpayer: 5548-8978/CARESTREAM HEALTH INC Audit Period: 01/01/2008 through 06/30/2010

Auditor: Joseph Nardecchia

Selection Criteria

Tax Code: 31 Consumable Supplies Use Tax Adjustment

Exam Type: 100 Consumable Supplies Use Tax Adjustment

Additional Tax Base: -\$1,335,171.71

<u>Location</u>	<u>Name</u>	<u>Rate</u>	<u>Rate Period</u>	<u>Taxable Amount</u>	<u>Tax Due</u>
999 0001 1	OUT OF STATE	06.25	1990 01 - Current	-\$1,335,171.71	-\$83,448.23
				-\$1,335,171.71	-\$83,448.23



Illinois Department of Revenue

Sales Tax Audit System

Projected Data Results

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Taxpayer: 5548-8978/CARESTREAM HEALTH INC Audit Period: 01/01/2008 through 06/30/2010

Auditor: Joseph Nardecchia

Selection Criteria

Tax Code: 31 Consumable Supplies Use Tax Adjustment

Exam Type: 101 Consumable Supplies Use Tax Adjustment - DONATION

Additional Tax Base: \$15,023.96

<u>Location</u>	<u>Name</u>	<u>Rate</u>	<u>Rate Period</u>	<u>Taxable Amount</u>	<u>Tax Due</u>
999 0001 1	OUT OF STATE	06.25	1990 01 - Current	\$15,023.96	\$939.00
				<hr/> \$15,023.96	<hr/> \$939.00



Illinois Department of Revenue

Sales Tax Audit System

Global Taxable Exceptions Detailed Report / All Codes Sorted by Date

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Page: 1

Taxpayer: CARESTREAM HEALTH INC

IBT #: 5548-8978

Audit Period: 01/01/2008 through 06/30/2010

Auditor: Joseph Nardecchia

<u>Date</u>	<u>Doc #</u>	<u>Name</u>	<u>Description</u>	<u>Reason Questioned</u>	<u>Amount Taxable</u>
Tax Code: 11 Exam Type: 100					
01/04/2008	0176081160	1- Imaging Sciences Intl <i>Prod Codes</i>	100SH RLR TRSPRT	TAXABLE TPP NOT TAXED	\$1,184.30
01/10/2008	0176083307	2- Jannx Medical Systems <i>SHIPPING</i>	SHIPPING	NOT TAXED	\$50.00
01/25/2008	0176088243	Imaging Sciences Intl <i>PC's</i>	20CASS 15X30 CM	TAXABLE TPP NOT TAXED	\$2,800.00
02/07/2008	0176092286	Imaging Sciences Intl	100SH RLR TRSPRT	TAXABLE TPP NOT TAXED	\$1,184.30
03/10/2008	0176101644	Imaging Sciences Intl <i>I</i>	20CASS 15X30 CM	TAXABLE TPP NOT TAXED	\$2,800.00
08/29/2008	0176154112	3- Springfield Clinic <i>PC</i>	EVP PLUS SOFTWARE	TAXABLE TPP NOT TAXED	\$7,500.00
10/30/2008	0176170533	Springfield Clinic <i>I</i>	KODAK DIRECT VIEW	TAXABLE TPP NOT TAXED	\$900.00
06/22/2009	0176229737	4- Illinois Wesleyan Univ <i>()</i>		TAXABLE TPP NOT TAXED	\$3,191.70
06/30/2009	0176231799	5- Metrosouth Hospital	TAXABLE LESS CM 175034002	TAXABLE TPP NOT TAXED	\$42,251.68
09/08/2009	0176248970	6- Allied Diagnostic Imaging <i>PC's</i>	10GL DEVELOPER	TAXABLE TPP NOT TAXED	\$1,215.27
09/21/2009	0176252066	Allied Diagnostic Imaging	10GL DEVELOPER	TAXABLE TPP NOT TAXED	\$3,645.82
09/22/2009	0176252478	7. Union County Hospital	EVP SOFTWARE 7 CR SYSTEM	TAXABLE TPP NOT TAXED	\$27,000.00
09/25/2009	0176254055	Allied Diagnostic Imaging	KODAK RP FIXER	TAXABLE TPP NOT TAXED	\$3,297.00
10/20/2009	0175038444	8. Merge Healthcare	TAX CR BUT NOT REMITTED	CREDIT ERROR	\$1,560.00
10/21/2009	0176261008	9 Galesburg Cottage Hosp	TAX CR BUT NOT REMITTED	CREDIT ERROR	\$133.00
10/30/2009	0176263929	Springfield Clinic	CLASSIC CR SYSTEM	TAXABLE TPP NOT TAXED	\$15,893.60
11/02/2009	0175038445	10 Merge Healthcare	TAX CR BUT NOT REMITTED	CREDIT ERROR	\$1,035.04
05/13/2010	0176323346	11 Jannx Medical Systems <i>SHIPPING</i>	SHIPPING	NOT TAXED	\$25.00
06/10/2010	0176331244	12 Old Orchard Radiology <i>PC</i>	POWER SUPPLY	TAXABLE TPP NOT TAXED	\$896.41
Total for Exam Type: 100					\$116,563.12

Tax Code: 11 Exam Type: 101					
01/30/2008		Memorial Medical Center	CREDIT TAKEN W/O ST-1X	NO ST-1X - OUT OF STATUTE	\$48,874.50
01/30/2008		Memorial Medical Center	CREDIT TAKEN W/O ST-1X	NO ST-1X - OUT OF STATUTE	\$317,000.00
01/30/2008		Memorial Medical Center	CREDIT TAKEN W/O ST-1X	NO ST-1X - OUT OF STATUTE	\$321,840.00
01/30/2008		Memorial Medical Center	CREDIT TAKEN W/O ST-1X	NO ST-1X - OUT OF STATUTE	\$51,801.60
04/11/2008		Northwestern Medical	CREDIT TAKEN W/O ST-1X	NO ST-1X - OUT OF STATUTE	\$334,130.00
04/11/2008		Northwestern Medical	CREDIT TAKEN W/O ST-1X	NO ST-1X - OUT OF STATUTE	\$144,700.00
Total for Exam Type: 101					\$1,218,346.10



Illinois Department of Revenue

Sales Tax Audit System

Global Taxable Exceptions Detailed Report / All Codes Sorted by Date

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Taxpayer: CARESTREAM HEALTH INC

IBT #: 5548-8978

Audit Period: 01/01/2008 through 06/30/2010

Auditor: Joseph Nardecchia

<u>Date</u>	<u>Doc #</u>	<u>Name</u>	<u>Description</u>	<u>Reason Questioned</u>	<u>Amount Taxable</u>
Total for Tax Code: 11 - UT/SUT Receipts Adjustment					\$1,334,909.22
Tax Code: 31	Exam Type: 100				
01/31/2008	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOICES	-\$17,944.78
02/28/2008	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOICES	-\$75,597.09
03/31/2008	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOICES	-\$51,130.28
04/30/2008	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOICES	-\$51,593.12
05/31/2008	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOICES	-\$63,820.08
06/30/2008	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOICES	-\$22,810.88
07/31/2008	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOICES	-\$34,101.92
08/31/2008	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOICES	-\$20,698.56
09/30/2008	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOICES	-\$154,230.72
10/31/2008	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOICES	-\$28,453.00
11/30/2008	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOICES	-\$378,327.68
12/31/2008	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOICES	-\$66,829.01
01/31/2009	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOICES	-\$21,404.71
02/28/2009	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOICES	-\$18,277.60
03/31/2009	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOICES	-\$39,294.24
04/30/2009	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOICES	-\$22,226.04
05/31/2009	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOICES	-\$30,851.94
06/30/2009	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOICES	-\$24,336.32
07/31/2009	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOICES	-\$72,562.40
08/31/2009	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOICES	-\$55,584.66
09/30/2009	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOICES	-\$2,054.59
10/31/2009	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOICES	-\$52,363.00
11/30/2009	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOICES	-\$11,246.90
12/31/2009	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOICES	-\$7,360.04
01/31/2010	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOICES	-\$21,127.22
03/31/2010	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOICES	\$5,822.39
04/30/2010	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOICES	\$1,996.01



Illinois Department of Revenue

Sales Tax Audit System

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Taxpayer: CARESTREAM HEALTH INC

IBT #: 5548-8978

Audit Period: 01/01/2008 through 06/30/2010

Auditor: Joseph Nardecchia

<u>Date</u>	<u>Doc #</u>	<u>Name</u>	<u>Description</u>	<u>Reason Questioned</u>	<u>Amount Taxable</u>
05/31/2010	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOIOCES	\$1,373.27
06/30/2010	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOIOCES	-\$136.60
Total for Exam Type: 100					-\$1,335,171.71
Tax Code: 31	Exam Type: 101				
05/07/2008	1964949	CHICAGO FIELD MUSEUM	COMPUTER RADIOLOGY SYS	DONATED EQUIPMENT	\$15,023.96
Total for Exam Type: 101					\$15,023.96
Total for Tax Code: 31 - Consumable Supplies Use Tax Adjustment					-\$1,320,147.75
Totals for Examination:					\$14,761.47



Illinois Department of Revenue
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Taxpayer: CARESTREAM HEALTH INC

IBT #: 5548-8978

Audit Period: 01/01/2008 through 06/30/2010

Auditor: Joseph Nardecchia

<u>Date</u>	<u>Doc #</u>	<u>Name</u>	<u>Description</u>	<u>Reason Questioned</u>	<u>Amount Taxable</u>
Tax Code: 11 Exam Type: 100					
01/04/2008	0176081160	Imaging Sciences Intl	100SH RLR TRSPRT	TAXABLE TPP NOT TAXED	\$1,184.30
01/10/2008	0176083307	Jannx Medical Systems	SHIPPING	NOT TAXED	\$50.00
01/25/2008	0176088243	Imaging Sciences Intl	20CASS 15X30 CM	TAXABLE TPP NOT TAXED	\$2,800.00
02/07/2008	0176092286	Imaging Sciences Intl	100SH RLR TRSPRT	TAXABLE TPP NOT TAXED	\$1,184.30
03/10/2008	0176101644	Imaging Sciences Intl	20CASS 15X30 CM	TAXABLE TPP NOT TAXED	\$2,800.00
08/29/2008	0176154112	Springfield Clinic	EVP PLUS SOFTWARE	TAXABLE TPP NOT TAXED	\$7,500.00
10/30/2008	0176170533	Springfield Clinic	KODAK DIRECT VIEW	TAXABLE TPP NOT TAXED	\$900.00
06/22/2009	0176229737	Illinois Wesleyan Univ		TAXABLE TPP NOT TAXED	\$3,191.70
06/30/2009	0176231799	Metrosouth Hospital	TAXABLE LESS CM 175034002	TAXABLE TPP NOT TAXED	\$42,251.68
09/08/2009	0176248970	Allied Diagnostic Imaging	10GL DEVELOPER	TAXABLE TPP NOT TAXED	\$1,215.27
09/21/2009	0176252066	Allied Diagnostic Imaging	10GL DEVELOPER	TAXABLE TPP NOT TAXED	\$3,645.82
09/22/2009	0176252478	Union County Hospital	EVP SOFTWARE 7 CR SYSTEM	TAXABLE TPP NOT TAXED	\$27,000.00
09/25/2009	0176254055	Allied Diagnostic Imaging	KODAK RP FIXER	TAXABLE TPP NOT TAXED	\$3,297.00
10/20/2009	0175038444	Merge Healthcare	TAX CR BUT NOT REMITTED	CREDIT ERROR	\$1,560.00
10/21/2009	0176261008	Galesburg Cottage Hosp	TAX CR BUT NOT REMITTED	CREDIT ERROR	\$133.00
10/30/2009	0176263929	Springfield Clinic	CLASSIC CR SYSTEM	TAXABLE TPP NOT TAXED	\$15,893.60
11/02/2009	0175038445	Merge Healthcare	TAX CR BUT NOT REMITTED	CREDIT ERROR	\$1,035.04
05/13/2010	0176323346	Jannx Medical Systems	SHIPPING	NOT TAXED	\$25.00
06/10/2010	0176331244	Old Orchard Radiology	POWER SUPPLY	TAXABLE TPP NOT TAXED	\$896.41
Total for Exam Type: 100					\$116,563.12
Tax Code: 11 Exam Type: 101					
01/30/2008		Memorial Medical Center	CREDIT TAKEN W/O ST-1X	NO ST-1X - OUT OF STATUTE	\$48,874.50
01/30/2008		Memorial Medical Center	CREDIT TAKEN W/O ST-1X	NO ST-1X - OUT OF STATUTE	\$317,000.00
01/30/2008		Memorial Medical Center	CREDIT TAKEN W/O ST-1X	NO ST-1X - OUT OF STATUTE	\$321,840.00
01/30/2008		Memorial Medical Center	CREDIT TAKEN W/O ST-1X	NO ST-1X - OUT OF STATUTE	\$51,801.60
04/11/2008		Northwestern Medical	CREDIT TAKEN W/O ST-1X	NO ST-1X - OUT OF STATUTE	\$334,130.00
04/11/2008		Northwestern Medical	CREDIT TAKEN W/O ST-1X	NO ST-1X - OUT OF STATUTE	\$144,700.00
Total for Exam Type: 101					\$1,218,346.10



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Taxpayer: CARESTREAM HEALTH INC

IBT #: 5548-8978

Audit Period: 01/01/2008 through 06/30/2010

Auditor: Joseph Nardecchia

<u>Date</u>	<u>Doc #</u>	<u>Name</u>	<u>Description</u>	<u>Reason Questioned</u>	<u>Amount Taxable</u>
Total for Tax Code: 11 - UT/SUT Receipts Adjustment					\$1,334,909.22
Tax Code: 31	Exam Type: 100				
01/31/2008	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOIENCES	-\$17,944.78
02/28/2008	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOIENCES	-\$75,597.09
03/31/2008	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOIENCES	-\$51,130.28
04/30/2008	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOIENCES	-\$51,593.12
05/31/2008	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOIENCES	-\$63,820.08
06/30/2008	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOIENCES	-\$22,810.88
07/31/2008	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOIENCES	-\$34,101.92
08/31/2008	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOIENCES	-\$20,698.56
09/30/2008	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOIENCES	-\$154,230.72
10/31/2008	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOIENCES	-\$28,453.00
11/30/2008	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOIENCES	-\$378,327.68
12/31/2008	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOIENCES	-\$66,829.01
01/31/2009	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOIENCES	-\$21,404.71
02/28/2009	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOIENCES	-\$18,277.60
03/31/2009	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOIENCES	-\$39,294.24
04/30/2009	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOIENCES	-\$22,226.04
05/31/2009	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOIENCES	-\$30,851.94
06/30/2009	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOIENCES	-\$24,336.32
07/31/2009	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOIENCES	-\$72,562.40
08/31/2009	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOIENCES	-\$55,584.66
09/30/2009	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOIENCES	-\$2,054.59
10/31/2009	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOIENCES	-\$52,363.00
11/30/2009	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOIENCES	-\$11,246.90
12/31/2009	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOIENCES	-\$7,360.04
01/31/2010	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOIENCES	-\$21,127.22
03/31/2010	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOIENCES	\$5,822.39
04/30/2010	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOIENCES	\$1,996.01



Illinois Department of Revenue
Sales Tax Audit System
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Taxpayer: CARESTREAM HEALTH INC

IBT #: 5548-8978

Audit Period: 01/01/2008 through 06/30/2010

Auditor: Joseph Nardecchia

<u>Date</u>	<u>Doc #</u>	<u>Name</u>	<u>Description</u>	<u>Reason Questioned</u>	<u>Amount Taxable</u>
05/31/2010	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOIOCES	\$1,373.27
06/30/2010	VARIOUS	VARIOUS	UT SELF ASSESSED IN ERROR	VERIFIED ALL INVOIOCES	-\$136.60
Total for Exam Type: 100					-\$1,335,171.71
Tax Code: 31	Exam Type: 101				
05/07/2008	1964949	CHICAGO FIELD MUSEUM	COMPUTER RADIOLOGY SYS	DONATED EQUIPMENT	\$15,023.96
Total for Exam Type: 101					\$15,023.96
Total for Tax Code: 31 - Consumable Supplies Use Tax Adjustment					-\$1,320,147.75
Totals for Examination:					\$14,761.47

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Customer No. 6050873	Invoice Number 175012067	Invoice Date 01/30/2008
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Invoice Inquiries:
 CALL CUSTOMER SERVICE

Remit To:

Payment Terms:

CUSTOMER A



Due Date:	Cash Discount:	Amount Due:
Due Date:	Cash Discount:	Amount Due:
Due Date:	Credit Amount:	
	46,219.79	
		Currency: USD

Customer Information			Order Information		
Sold To:	904973	Ship To:	904973	Payer:	6050873
SPRINGFIELD IL 62702	SPRINGFIELD IL 62702	SPRINGFIELD IL 62702	SPRINGFIELD IL 62794		
			Order Number	20012345	
			Tax Number	1416727601	
			Delivery Note No.		
			Ship Date		
			Customer Purchase Order Number	200731507	

Message to Customer
 Tax Credit
 Certificate on File
 K.Kulp, Sales and Use Tax Accountant, Carestream Health, Inc.

Invoice Detail

Quantity	Description	Price	Disc%	Unit Net Price	Tax%	Net Amt. Before Tax
1	SALES TAXES	0		0	6.25	0
EA	Catalog No. 9692286					
Total Net Amount:						0
State Tax:						46,219.79
Total Credit Amount:						46,219.79

Customer No. 906142	Invoice Number 175015140	Invoice Date 04/11/2008
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Invoice Inquiries:
CALL CUSTOMER SERVICE

Remit To:

Payment Terms:

CUSTOMER B



Due Date:	Cash Discount:	Amount Due:
Due Date:	Cash Discount:	Amount Due:
Due Date:		Credit Amount:
		51,250.89

Currency: USD

Customer Information			Order Information		
Sold To:	906142	Ship To:	906142	Payer:	906142
CHICAGO IL 60611		CHICAGO IL 60611		CHICAGO IL 60611	
			Order Number	20015656	
			Tax Number	1403105101	
			Delivery Note No.		
			Ship Date		
			Customer Purchase Order Number	NQT4376391073	

Message to Customer
 Tax credit
 Cert on File
 DH Tax Dept

Invoice Detail

Quantity	Description	Price	Disc%	Unit Net Price	Tax%	Net Amt. Before Tax
1	Sales Tax	0		0	6.25	0
EA	Catalog No. 9692286					
Total Net Amount:						0
State Tax:						51,250.89
Total Credit Amount:						51,250.89



Illinois Department of Revenue

Office of Local Government Services
Sales Tax Exemption Section, 3-520
101 W. Jefferson Street
Springfield, Illinois 62702
217 782-8881

September 9, 2005

MEMORIAL MEDICAL CENTER
FINANCE MANAGER
701 N FIRST STREET
SPRINGFIELD IL 62781-0001

We have received your recent letter; and based on the information you furnished, we believe

MEMORIAL MEDICAL CENTER
of
SPRINGFIELD, IL

is organized and operated exclusively for charitable purposes.

Consequently, sales of any kind to this organization are exempt from the Retailers' Occupation Tax, the Service Occupation Tax (both state and local), the Use Tax, and the Service Service Use Tax in Illinois.

We have issued your organization the following tax exemption identification number: E9990-5031-05. To claim the exemption, you must provide this number to your suppliers when purchasing tangible personal property for organizational use. This exemption may not be used by individual members of the organization to make purchases for their individual use.

This exemption will expire on October 1, 2010, unless you apply to the Illinois Department of Revenue for renewal at least three months prior to the expiration date.

Office of Local Government Services
Illinois Department of Revenue

266130



Illinois Department of Revenue
Sales Tax Exemption
101 West Jefferson Street, MC 3-520
Springfield, Illinois 62702

September 16, 2010

MEMORIAL MEDICAL CENTER
FINANCE MANAGER
701 N FIRST STREET
SPRINGFIELD IL 62781

The Illinois Supreme Court recently issued a decision in *Provena Covenant Medical Center v. Department of Revenue* that has significant implications for charitable exemptions in Illinois. The Department takes its duty to issue exemptions consistent with Illinois law extremely seriously. Since the issuance of the decision the Department has been reviewing the matter extensively. While the *Provena* decision is far reaching, the most directly affected institutions are hospital and healthcare providers seeking charitable exemptions for property tax or Illinois sales and use taxes.

Due to the importance of the issue, the Department is still developing a strategy to handle both pending property tax exemption applications and sales tax exemption requests and renewals. At this time, it is reasonable to assume that each application will need to be reviewed individually on a case by case basis on its own merits. All applicants will be provided the opportunity to supplement their applications with any additional information the Department or the applicant deems relevant and necessary. The precise timetable for a determination on the merits has yet to be established but it will be reasonable, orderly, fair, and flexible enough to address any unique circumstances.

Your institution is seeking a renewal of its sales and use tax exemption. While sales and use tax exemptions do not involve a constitutional issue, Illinois courts have traditionally applied the same factors used to determine property tax exempt status for charitable applicants, thus the Department will need additional time to make an actual determination on the merits of your sales and use tax exemption renewal.

While the Department's final determination is pending, your existing exempt status will be preserved. You are hereby authorized to continue to utilize your existing sales and use tax exemption until you receive written notice of the Department's final determination on your renewal. If a vendor or auditor request proof of your continued exempt status, please provide them a copy of this letter for their records.

This is not a final administrative decision for the purposes of the Illinois Administrative Review Law.

If you have any specific questions, needs or concerns please feel free to contact the Department's Exemptions unit at 217-782-8881.

Kara Moretto
Manager Local Government Service Bureau

Handwritten signature of Kara Moretto in black ink.

266130

Cest #
906142



Illinois Department of Revenue
Office of Local Government Services
Sales Tax Exemption Section, 3-520
101 W. Jefferson Street
Springfield, Illinois 62702
217 782-8881

August 18, 2006

NORTHWESTERN MEDICAL FACULTY FOUNDATION INC
MANAGER OF ACCOUNTING
680 N LAKE SHORE DR., STE 1118
CHICAGO IL 60611

We have received your recent letter, and based on the information you furnished, we believe

NORTHWESTERN MEDICAL FACULTY FOUNDATION INC
of
CHICAGO, IL

is organized and operated exclusively for charitable purposes.

Consequently, sales of any kind to this organization are exempt from the Retailers' Occupation Tax, the Service Occupation Tax (both state and local), the Use Tax, and the Service Service Use Tax in Illinois.

We have issued your organization the following tax exemption identification number: E9978-3835-05. To claim the exemption, you must provide this number to your suppliers when purchasing tangible personal property for organizational use. This exemption may not be used by individual members of the organization to make purchases for their individual use.

This exemption will expire on September 1, 2011, unless you apply to the Illinois Department of Revenue for renewal at least three months prior to the expiration date.

Office of Local Government Services
Illinois Department of Revenue

STS-49 (R-2/98)
IL-492-3456
11-0000081

Customer No. 450264	Invoice Number 176042631	Invoice Date 08/31/2007
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Invoice Inquiries:
 CALL CUSTOMER SERVICE

Remit To:
 Carestream Health, Inc.
 Dept CH 19286
 Palatine IL 60055-9286

Payment Terms:
 NET 30 DOI
 Up to 09/30/2007 without deduction

CUSTOMER A



Due Date:	Cash Discount:	Amount Due:

Due Date:	Cash Discount:	Amount Due:

Due Date:	Total Amount Due:
09/30/2007	51,929.16

Currency: USD

Customer Information				Order Information	
Sold To:	904973	Ship To:	904973	Payer:	450264
SPRINGFIELD IL 62702		SPRINGFIELD IL 62702			
				Order Number	50083791
				Tax Number	1416727601
				Delivery Note No.	
				Ship Date	08/31/2007
				Customer Purchase Order Number	200731507

Message to Customer
 Total List \$546,500. Purchaser will comply with Sec. 1128B(b) of the Social Security Act(42USC1320a-7b) when seeking reimbursement from any governmental entity for products supplied pursuant to this PO. The ACT may require disclosure of any discounts or other reduction in price.

Invoice Detail

Quantity	Description	Price	Disc%	Unit Net Price	Tax%	Net Amt. Before Tax
1	KODAK DIRECTVIEW CR 825 SYSTEM	61,350.00	53.00	28,834.50	6.25	28,834.50
EA	Catalog No. 1823178					
	Serial No. 2100					
	EAN/UPC: +H49118231784K					
1	DICOM STORE SOFTWARE FOR CR825	2,364.50	0	2,364.50	6.25	2,364.50
EA	Catalog No. 8618969					
	EAN/UPC: +H49186189694.					
1	WORKLIST MANAGEMENT S/W FOR CR825	10,000.00	51.00	4,900.00	6.25	4,900.00
EA	Catalog No. 8960809					
	EAN/UPC: +H49189608094U					
1	BLACK SURROUND MASKING FOR CR825	4,900.00	51.00	2,401.00	6.25	2,401.00
EA	Catalog No. 8972721					
	EAN/UPC: +H49189727214Q					

CUSTOMER A

PAGE 2 OF 2

Customer No. 450264	Invoice Number 176042631	Invoice Date 08/31/2007
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Currency: USD

Invoice Detail

Quantity	Description	Price	Disc%	Unit Net Price	Tax%	Net Amt. Before Tax
1	EVP S/W FOR CR825	12,500.00	52.00	6,000.00	6.25	6,000.00
EA	Catalog No. 8687105 EAN/UPC: +H49186871054P					
1	LOW EXP OPT SW FOR CR825 SYSTEM	1,000.00	50.00	500.00	6.25	500.00
EA	Catalog No. 1590215 EAN/UPC: +H49115902154D					
1	GRID DETECT & SUPP. S/W FOR CR825	750.00	25.00	562.50	6.25	562.50
EA	Catalog No. 1957471 EAN/UPC: +H49119574714O					
1	PROC. MAP&TRAUMA S/W FOR CR825	800.00	25.00	600.00	6.25	600.00
EA	Catalog No. 1354091 EAN/UPC: +H49113540914D					
1	ADMIN ANALYSIS RPTG SW CR825 SYS	1,200.00	25.00	900.00	6.25	900.00
EA	Catalog No. 1194885 EAN/UPC: +H49111948854Q					
3	35X43CM DV CR CASS /GP/ F/CR800/900	1,890.00	100.00	0	0	No Charge
EA	Catalog No. 8907321 EAN/UPC: +H49189073214K					
3	24X30CM DV CR CASS /GP/ F/CR800/900	1,260.00	100.00	0	0	No Charge
EA	Catalog No. 1324326 EAN/UPC: +H49113243264B					
3	35X43CM DV CR CASS /GP/ F/CR800/900	1,890.00	81.00	359.10	6.25	1,077.30
EA	Catalog No. 8907321 EAN/UPC: +H49189073214K					
3	24X30CM DV CR CASS /GP/ F/CR800/900	244.90	0	244.90	6.25	734.70
EA	Catalog No. 1324326 EAN/UPC: +H49113243264B					
Total Net Amount:						48,874.50
State Tax:						3,054.66
Invoice Total:						51,929.16

Products, technical data, technology, software and services of Carestream Health Inc., including its subsidiaries and branches, are subject to export controls under the applicable laws and regulations of the United States. Commodities may not be exported or re-exported, either directly or indirectly to U.S. embargoed countries. Diversion and transshipment contrary to U.S. law is prohibited. In addition, commodities may not be exported or re-exported to entities and persons that are blocked, denied or otherwise ineligible under U.S. law to receive U.S. product, technology, and/or software. CERTIFIED TRUE AND CORRECT

Customer No. 450264	Invoice Number 176051717	Invoice Date 09/07/2007
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Invoice Inquiries:
 CALL CUSTOMER SERVICE

Remit To:
 Carestream Health, Inc.
 Dept CH 19286
 Palatine IL 60055-9286

Payment Terms:
 NET 30 DOI
 Up to 10/07/2007 without deduction

CUSTOMER A



Due Date:	Cash Discount:	Amount Due:
Due Date:	Cash Discount:	Amount Due:
Due Date:	Total Amount Due:	
10/07/2007	336,812.51	

Currency: USD

Customer Information				Order Information	
Sold To:	904973	Ship To:	904973	Payer:	450264
SPRINGFIELD IL 62702		SPRINGFIELD IL 62702			
				Order Number	50088427
				Tax Number	1416727601
				Delivery Note No.	
				Ship Date	09/07/2007
				Customer Purchase Order Number	200731507

Message to Customer

Total List \$540,500. Purchaser will comply with Sec.1128B(b) of the Social Security Act(42USC1320a-7b) when seeking reimbursement from any governmental entity for products supplied pursuant to this PO. The ACT may require disclosure of any discounts or other reduction in price.

Invoice Detail

Quantity	Description	Price	Disc%	Unit Net Price	Tax%	Net Amt. Before Tax
1	DR 7500WM SYS US&C	450,000.00	40.00	270,000.00	6.25	270,000.00
EA	Catalog No. 8551046					
	Serial No. 532					
	EAN/UPC: +H49185510464J					
1	LNGTDNAL RAILS 6M FOR DR7500 SYS	0	0	0	0	No Charge
EA	Catalog No. 1844547					
	EAN/UPC: +H49118445474N					
1	DV DR SW EVP	25,000.00	37.00	15,750.00	6.25	15,750.00
EA	Catalog No. 8545238					
	EAN/UPC: +H49185452384P					
1	DV DR 5100/7100/9000 SW V1.0, MGMT	10,000.00	37.00	6,300.00	6.25	6,300.00
EA	Catalog No. 8720922					
	EAN/UPC: +H49187209224K					

CUSTOMER A

Customer No. 450264	Invoice Number 176051717	Invoice Date 09/07/2007
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Currency: **USD**

Invoice Detail

Quantity	Description	Price	Disc%	Unit Net Price	Tax%	Net Amt. Before Tax
1 EA	QT-711-EV Elev Mble Tbl US&CR Catalog No. 8623134 Serial No. 801 EAN/UPC: +H49186231344H	28,000.00	37.00	17,640.00	6.25	17,640.00
1 EA	GRID MULTI-FOCAL FOR DR7500 WLLSTND Catalog No. 8877201 EAN/UPC: +H49188772014N	2,000.00	38.00	1,240.00	6.25	1,240.00
1 EA	FLOOR RAIL FOR DR 7500 SYS Catalog No. 1770122 EAN/UPC: +H49117701224A	6,070.00	0	6,070.00	6.25	6,070.00
1 EA	HANDHELD REMOTE FOR DR7500 WALLSTND Catalog No. 1260777 EAN/UPC: +H49112607774K	500.00	100.00	0	0	No Charge
1 EA	GRID HOLDER FOR DR 7500/9500 SYS Catalog No. 1935212 EAN/UPC: +H49119352124D	1,000.00	100.00	0	0	No Charge
2 EA	DIRECTVIEW DR WORKFLOW & IMAGE CSTM Catalog No. 1127174	2,000.00	100.00	0	0	No Charge
1 EA	TRNSVRS RAILS 3M FOR DR7500 SYS Catalog No. 8029126 EAN/UPC: +H49180291264I	0	0	0	0	No Charge
Total Net Amount:						317,000.00
State Tax:						19,812.51
Invoice Total:						336,812.51

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Customer No. 450264	Invoice Number 176051718	Invoice Date 09/28/2007
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Invoice Inquiries:
CALL CUSTOMER SERVICE

Remit To:
Carestream Health, Inc.
Dept CH 19286
Palatine IL 60055-9286

Payment Terms:
NET 30 DOI
Up to 10/28/2007 without deduction

CUSTOMER A



Due Date:	Cash Discount:	Amount Due:
Due Date:	Cash Discount:	Amount Due:
Due Date:	Total Amount Due:	
10/28/2007	347,599.02	

Currency: USD

Customer Information				Order Information	
Sold To:	904973	Ship To:	904973	Payer:	450264
SPRINGFIELD IL 62702		SPRINGFIELD IL 62702			
				Order Number	50102321
				Tax Number	1416727601
				Delivery Note No.	
				Ship Date	09/28/2007
				Customer Purchase Order Number	200731507

Message to Customer

Total List \$546,500. Purchaser will comply with Sec.1128B(b) of the Social Security Act(42USC1320a-7b) when seeking reimbursement from any governmental entity for products supplied pursuant to this PO. The ACT may require disclosure of any discounts or other reduction in price.

Invoice Detail

Quantity	Description	Price	Disc%	Unit Net Price	Tax%	Net Amt. Before Tax
1	DR 7500WM SYS US&C	450,000.00	40.00	270,000.00	6.25	270,000.00
EA	Catalog No. 8551046					
	Serial No. 521					
	EAN/UPC: +H49185510464J					
1	LNGTDNAL RAILS 6M FOR DR7500 SYS	0	0	0	0	No Charge
EA	Catalog No. 1844547					
	EAN/UPC: +H49118445474N					
1	DV DR SW EVP	25,000.00	45.00	13,750.00	6.25	13,750.00
EA	Catalog No. 8545238					
	EAN/UPC: +H49185452384P					
1	DV DR 5100/7100/9000 SW V1.0, MGMT	10,000.00	45.00	5,500.00	6.25	5,500.00
EA	Catalog No. 8720922					
	EAN/UPC: +H49187209224K					

CUSTOMER A

Customer No. 450264	Invoice Number 176051718	Invoice Date 09/28/2007
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Currency: USD

Invoice Detail

Quantity	Description	Price	Disc%	Unit Net Price	Tax%	Net Amt. Before Tax
1	TMNSVRS RAILS 3.5M FOR DR7500 SYS EA Catalog No. 8926297	0	0	0	0	No Charge
1	QT-711-EV Elev Mble Tbl US&CR EA Catalog No. 8623134 EAN/UPC: +H49186231344H	28,000.00	45.00	15,400.00	6.25	15,400.00
1	GRID MULTI-FOCAL FOR DR7500 WLLSTND EA Catalog No. 8877201 EAN/UPC: +H49188772014N	2,000.00	44.00	1,120.00	6.25	1,120.00
1	FLOOR RAIL FOR DR 7500 SYS EA Catalog No. 1770122 EAN/UPC: +H49117701224A	5,586.00	0	5,586.00	6.25	5,586.00
1	HANDHELD REMOTE FOR DR7500 WALLSTND EA Catalog No. 1260777 EAN/UPC: +H49112607774K	500.00	100.00	0	0	No Charge
1	GRID HOLDER FOR DR 7500/9500 SYS EA Catalog No. 1935212 EAN/UPC: +H49119352124D	1,000.00	100.00	0	0	No Charge
1	KODAK DIRECTVIEW BASIC USER TRNG EA Catalog No. 8280026 EAN/UPC: +H49182800264G	2,000.00	44.00	1,120.00	0	1,120.00
1	KODAK DIRECTVIEW DR KEY OPR TRNG EA Catalog No. 1074681 EAN/UPC: +H49110746814H	6,000.00	44.00	3,360.00	0	3,360.00
1	DIRECTVIEW DR WORKFLOW & IMAGE CSTM EA Catalog No. 1127174	1,164.00	0	1,164.00	0	1,164.00
1	DV CR LONG-LNGTH IS F/CR800/900 SYS EA Catalog No. 1307123 Serial No. 2611 EAN/UPC: +H491130712347	8,234.00	0	8,234.00	6.25	8,234.00
1	DV CR LNG-LNGTH GRID F/VERT CAS HOL EA Catalog No. 1885672 Serial No. 78942 EAN/UPC: +H49118856724R	4,500.00	50.00	2,250.00	6.25	2,250.00
Total Net Amount:						327,484.00
State Tax:						20,115.02
Invoice Total:						347,599.02

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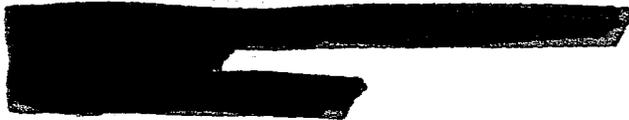
Customer No. 450264	Invoice Number 176074436	Invoice Date 12/10/2007
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Invoice Inquiries:
 CALL CUSTOMER SERVICE

Remit To:
 Carestream Health, Inc.
 Dept CH 19286
 Palatine IL 60055-9286

Payment Terms:
 NET 30 DOI
 Up to 01/09/2008 without deduction

CUSTOMER A



Due Date:	Cash Discount:	Amount Due:
Due Date:	Cash Discount:	Amount Due:
Due Date:	Total Amount Due:	
01/09/2008	59,839.20	

Currency: USD

Customer Information				Order Information	
Sold To:	904973	Ship To:	904973	Payer:	450264
SPRINGFIELD IL 62702		SPRINGFIELD IL 62702			
				Order Number	50149732
				Tax Number	1416727601
				Delivery Note No.	
				Ship Date	12/10/2007
				Customer Purchase Order Number	200731507

Message to Customer

Total List \$546,500. Purchaser will comply with Sec.1128B(b) of the Social Security Act(42USC1320a-7b) when seeking reimbursement from any governmental entity for products supplied pursuant to this PO. The ACT may require disclosure of any discounts or other reduction in price.

Invoice Detail

Quantity	Description	Price	Disc%	Unit Net Price	Tax%	Net Amt. Before Tax
1	ORTHOTEMPLATE 1 CONCUR LIC ENT 8PAC	70,000.00	40.00	42,000.00	6.25	42,000.00
EA	Catalog No. 1319110					
4	HI PROJECT MANAGEMENT SERVICES	200.00	0	200.00	0	800.00
EA	Catalog No. 1826254					
	EAN/UPC: +H49112862544I					
4	INSTALL,CONFIG,SYSTEM ADMIN TRNG	200.00	0	200.00	0	800.00
EA	Catalog No. 1093061					
	EAN/UPC: +H49110930614A					
2	APPLICATIONS CONSULTING / 8 HR BLK	1,600.00	0	1,600.00	0	3,200.00
EA	Catalog No. 1778919					
1	ORTHOTEMPLATE 1 CONCUR LIC ENTERPRS	9,801.60	0	9,801.60	6.25	9,801.60
EA	Catalog No. 1305671					

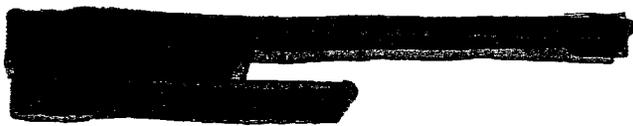
Customer No. 450264	Invoice Number 176080137	Invoice Date 12/28/2007
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Invoice Inquiries:
 CALL CUSTOMER SERVICE

Remit To:
 Carestream Health, Inc.
 Dept CH 19286
 Palatine IL 60055-9286

Payment Terms:
 NET 30 DO1
 Up to 01/27/2008 without deduction

CUSTOMER B



Due Date:	Cash Discount:	Amount Due:
Due Date:	Cash Discount:	Amount Due:
Due Date:	Total Amount Due:	
01/27/2008	363,263.13	

Currency: USD

Customer Information				Order Information	
Sold To:	906142	Ship To:	906142	Payer:	450264
CHICAGO IL 60611		CHICAGO IL 60611			
				Order Number	50161568
				Tax Number	1403105101
				Delivery Note No.	
				Ship Date	12/28/2007
				Customer Purchase Order Number	NQT4376391073

Message to Customer

Total List \$1,437,152. Purchaser will comply with Sec.1128B(b) of the Social Security Act(42USC1320a-7b) when seeking reimbursement from any governmental entity for products supplied pursuant to this PO. The ACT may require disclosure of any discounts or other reduction in price.

Invoice Detail

Quantity	Description	Price	Disc%	Unit Net Price	Tax%	Net Amt. Before Tax
1	DR 7500WM SYS US&C	450,000.00	42.00	261,000.00	6.25	261,000.00
EA	Catalog No. 8551046					
	Serial No. 553					
	EAN/UPC: +H49185510464J					
1	LNGTDNAL RAILS 6M FOR DR7500 SYS	0	0	0	0	No Charge
EA	Catalog No. 1844547					
	EAN/UPC: +H49118445474N					
1	DV DR SW EVP	25,000.00	42.00	14,500.00	6.25	14,500.00
EA	Catalog No. 8545238					
	EAN/UPC: +H49185452384P					
1	DV DR 5100/7100/9000 SW V1.0, MGMT	10,000.00	43.00	5,700.00	6.25	5,700.00
EA	Catalog No. 8720922					
	EAN/UPC: +H49187209224K					

CUSTOMER B

Customer No. 450264	Invoice Number 176080137	Invoice Date 12/28/2007
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Currency: **USD**

Invoice Detail

Quantity	Description	Price	Disc%	Unit Net Price	Tax%	Net Amt. Before Tax
1	TRNSVRS RAILS 3M FOR DR7500 SYS	0	0	0	0	No Charge
EA	Catalog No. 8029126 EAN/UPC: +H49180291264I					
1	HANDHELD REMOTE FOR DR7500 WALLSTND	280.00	0	280.00	6.25	280.00
EA	Catalog No. 1260777 EAN/UPC: +H49112607774K					
1	GRID MULTI-FOCAL FOR DR7500 WLLSTND	2,000.00	100.00	0	0	No Charge
EA	Catalog No. 8877201 EAN/UPC: +H49188772014N					
1	IHE SCHED WORK SOFT FOR DR SYS	2,500.00	42.00	1,450.00	6.25	1,450.00
EA	Catalog No. 8228264 EAN/UPC: +H49182282644M					
1	AUTOPOSITIONING FOR DR 7500 SYS	30,000.00	42.00	17,400.00	6.25	17,400.00
EA	Catalog No. 8490856 EAN/UPC: +H49184908564U					
1	FLOOR RAIL FOR DR 7500 SYS	20,000.00	43.00	11,400.00	6.25	11,400.00
EA	Catalog No. 1770122 EAN/UPC: +H49117701224A					
1	KODAK DIRECTVIEW BASIC USER TRNG	2,000.00	25.00	1,500.00	0	1,500.00
EA	Catalog No. 8280026 EAN/UPC: +H49182800264G					
1	DIRECTVIEW DR WORKFLOW & IMAGE CSTM	2,000.00	25.00	1,500.00	0	1,500.00
EA	Catalog No. 1127174					
1	KODAK DIRECTVIEW DR CAPTURE LINK	1,000.00	25.00	750.00	0	750.00
EA	Catalog No. 8933830 EAN/UPC: +H49189338304O					
1	KODAK DIRECTVIEW DR KEY OPR TRNG	6,000.00	25.00	4,500.00	0	4,500.00
EA	Catalog No. 1074681 EAN/UPC: +H49110746814H					
1	LAT ARM SUP FOR LFT ANGLED BUCKY	0	0	0	0	No Charge
EA	Catalog No. 1920388					
1	IGS 1000H ELEV MBLE TBL FOR DR	32,000.00	30.00	22,400.00	6.25	22,400.00
EA	Catalog No. 1925106 EAN/UPC: +H49119251064E					
Total Net Amount:						342,380.00
State Tax:						20,883.13
Invoice Total:						363,263.13

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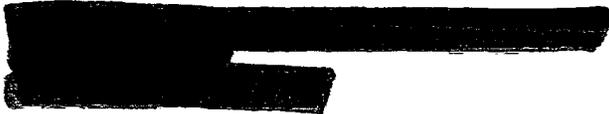
Customer No. 450264	Invoice Number 176080138	Invoice Date 12/28/2007
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Invoice Inquiries:
 CALL CUSTOMER SERVICE

Remit To:
 Carestream Health, Inc.
 Dept CH 19286
 Palatine IL 60055-9286

Payment Terms:
 NET 30 DOI
 Up to 01/27/2008 without deduction

CUSTOMER B



Due Date:	Cash Discount:	Amount Due:
Due Date:	Cash Discount:	Amount Due:
Due Date:	Total Amount Due:	
01/27/2008	153,743.78	

Currency: USD

Customer Information				Order Information	
Sold To:	906142	Ship To:	906142	Payer:	450264
CHICAGO IL 60611		CHICAGO IL 60611			
				Order Number	50161569
				Tax Number	1403105101
				Delivery Note No.	
				Ship Date	12/28/2007
				Customer Purchase Order Number	NQT4376391073

Message to Customer

Total List \$302,752. Purchaser will comply with Sec.1128B(b) of the Social Security Act(42USC1320a-7b) when seeking reimbursement from any governmental entity for products supplied pursuant to this PO. The ACT may require disclosure of any discounts or other reduction in price.

Invoice Detail

Quantity	Description	Price	Disc%	Unit Net Price	Tax%	Net Amt. Before Tax
1	KODAK DRYVIEW 8150 LASER IMAGER	25,000.00	0	25,000.00	6.25	25,000.00
EA	Catalog No. 6551261 Serial No. 81507404 EAN/UPC: +H49165512614G					
1	TIER ONE DICOM CONNECTION/CAPTURE	1,950.00	0	1,950.00	6.25	1,950.00
EA	Catalog No. 8533648 EAN/UPC: +H49185336484R					
1	KODAK DIRECTVIEW 850 SYSTEM	99,000.00	47.00	52,470.00	6.25	52,470.00
EA	Catalog No. 8547275 Serial No. 14379 EAN/UPC: +H49185472754S					
1	DICOM STORAGE SVC CLASS USER SW	5,000.00	46.00	2,700.00	6.25	2,700.00
EA	Catalog No. 8635062 EAN/UPC: +H49186350624K					

CUSTOMER B

Customer No. 450264	Invoice Number 176080138	Invoice Date 12/28/2007
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Currency: USD

Invoice Detail

Quantity	Description	Price	Disc%	Unit Net Price	Tax%	Net Amt. Before Tax
1	DICOM WRK LST MGMT SVC CLASS USR SW EA Catalog No. 8702607 EAN/UPC: +H49187026074K	10,000.00	47.00	5,300.00	6.25	5,300.00
1	DV CR SW, BLACK SURROUND/MASKING EA Catalog No. 8748907 EAN/UPC: +H49187489074X	4,900.00	47.00	2,597.00	6.25	2,597.00
1	DIRECTVIEW EVP SFTWR F/CR800/CR850 EA Catalog No. 8932782 EAN/UPC: +H49189327824T	12,500.00	47.00	6,625.00	6.25	6,625.00
1	IHE SCHED WORK SOFT FOR CR 800 SYS EA Catalog No. 1636182 EAN/UPC: +H49116361824H	2,500.00	46.00	1,350.00	6.25	1,350.00
1	LOW EXP OPT SW FOR CR800 SYSTEM EA Catalog No. 8793598 EAN/UPC: +H49187935984\$	1,000.00	50.00	500.00	6.25	500.00
1	GRID DETECT & SUPP SOFT CR 800 SYS EA Catalog No. 8710972 EAN/UPC: +H49187109724O	398.00	0	398.00	6.25	398.00
1	PROC MAP&TRAUMA SOFT FOR CR 800 SYS EA Catalog No. 1745272 EAN/UPC: +H49117452724I	800.00	47.00	424.00	6.25	424.00
1	ADMIN ANALYSIS RPTG SW CR850 SYS EA Catalog No. 1127562 EAN/UPC: +H49111275624E	1,200.00	47.00	636.00	6.25	636.00
6	35X43CM DV CR CASS /GP/ F/CR800/900 EA Catalog No. 8907321 EAN/UPC: +H49189073214K	1,890.00	50.00	945.00	6.25	5,670.00
6	24X30CM DV CR CASS /GP/ F/CR800/900 EA Catalog No. 1324326 EAN/UPC: +H49113243264B	1,260.00	50.00	630.00	6.25	3,780.00
1	CR LONG LENGTH PORTABLE CASSETTE EA Catalog No. 1944990 EAN/UPC: +H49119449904Q	5,000.00	57.00	2,150.00	6.25	2,150.00
1	CR LONG LENGTH PORTABLE GRID EA Catalog No. 8026155 EAN/UPC: +H49180261554H	7,200.00	57.00	3,096.00	6.25	3,096.00
1	DV CR LONG-LENGTH SFTWR/ONE ADD LIC EA Catalog No. 1983956 EAN/UPC: +H49119839564V	1,904.00	0	1,904.00	6.25	1,904.00
1	CR V4.6 SW UPGRADE FROM V4.X EA Catalog No. 8693798 EAN/UPC: +H49186937984/	2,335.00	100.00	0	0	No Charge
1	CAPTURE LINK SERVER EA Catalog No. 8060196 EAN/UPC: +H49180601964K	3,150.00	50.00	1,575.00	6.25	1,575.00

CUSTOMER B

Customer No. 450264	Invoice Number 176080138	Invoice Date 12/28/2007
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Currency: **USD**

Invoice Detail

Quantity	Description	Price	Disc%	Unit Net Price	Tax%	Net Amt. Before Tax
1	CAPTURE LINK SOFTWARE CR LICENSE	3,150.00	50.00	1,575.00	6.25	1,575.00
EA	Catalog No. 8336174 EAN/UPC: +H49183361744M					
2	CAPTURE LINK SOFTWARE DR LICENSE	25,000.00	50.00	12,500.00	6.25	25,000.00
EA	Catalog No. 1660000 EAN/UPC: +H491166000043					
Total Net Amount:						144,700.00
State Tax:						9,043.78
Invoice Total:						153,743.78

Products, technical data, technology, software and services of Carestream Health Inc., including its subsidiaries and branches, are subject to export controls under the applicable laws and regulations of the United States. Commodities may not be exported or re-exported, either directly or indirectly to U.S. embargoed countries. Diversion and transshipment contrary to U.S. law is prohibited. In addition, commodities may not be exported or re-exported to entities and persons that are blocked, denied or otherwise ineligible under U.S. law to receive U.S. product, technology, and/or software. **CERTIFIED TRUE AND CORRECT**

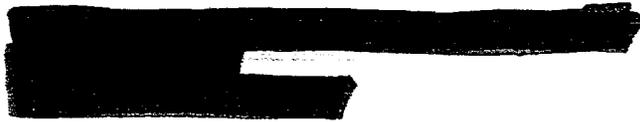
Customer No. 450264	Invoice Number 176098324	Invoice Date 02/27/2008
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Invoice Inquiries:
 CALL CUSTOMER SERVICE

Remit To:
 Carestream Health, Inc.
 Dept CH 19286
 Palatine IL 60055-9286

Payment Terms:
 NET 30 DOI
 Up to 03/28/2008 without deduction

CUSTOMER B



Due Date:	Cash Discount:	Amount Due:
Due Date:	Cash Discount:	Amount Due:
Due Date:	Total Amount Due:	
03/28/2008	11,138.72	

Currency: USD

Customer Information				Order Information	
Sold To:	906142	Ship To:	906142	Payer:	450264
CHICAGO IL 60611		CHICAGO IL 60611			
				Order Number	50196969
				Tax Number	1403105101
				Delivery Note No.	
				Ship Date	02/27/2008
				Customer Purchase Order Number	NQT4376391073

Message to Customer

Total List \$302,752. Purchaser will comply with Sec.1128B(b) of the Social Security Act(42USC1320a-7b) when seeking reimbursement from any governmental entity for products supplied pursuant to this PO. The ACT may require disclosure of any discounts or other reduction in price.

Invoice Detail

Quantity	Description	Price	Disc%	Unit Net Price	Tax%	Net Amt. Before Tax
1	DV CR LONG-LNGTH IS F/CR800/900 SYS	16,467.00	50.00	8,233.50	6.25	8,233.50
EA	Catalog No. 1307123					
	Serial No. 2673					
	EAN/UPC: +H491130712347					
1	DV CR LNG-LNGTH GRID F/VERT CAS HOL	4,500.00	50.00	2,250.00	6.25	2,250.00
EA	Catalog No. 1885672					
	Serial No. 81439					
	EAN/UPC: +H49118856724R					
Total Net Amount:						10,483.50
State Tax:						655.22
Invoice Total:						11,138.72

CUSTOMER B

PAGE 2 OF 2

Customer No. 450264	Invoice Number 176098324	Invoice Date 02/27/2008
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Currency: USD

Invoice Detail

Quantity	Description	Price	Disc%	Unit Net Price	Tax%	Net Amt. Before Tax
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Products, technical data, technology, software and services of Carestream Health Inc., including its subsidiaries and branches, are subject to export controls under the applicable laws and regulations of the United States. Commodities may not be exported or re-exported, either directly or indirectly to U.S. embargoed countries. Diversion and transshipment contrary to U.S. law is prohibited. In addition, commodities may not be exported or re-exported to entities and persons that are blocked, denied or otherwise ineligible under U.S. law to receive U.S. product, technology, and/or software. CERTIFIED TRUE AND CORRECT

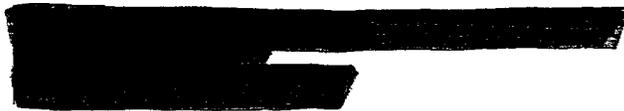
Customer No. 450264	Invoice Number 176098635	Invoice Date 02/28/2008
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Invoice Inquiries:
 CALL CUSTOMER SERVICE

Remit To:
 Carestream Health, Inc.
 Dept CH 19286
 Palatine IL 60055-9286

Payment Terms:
 NET 30 DOI
 Up to 03/29/2008 without deduction

CUSTOMER B



Due Date:	Cash Discount:	Amount Due:
Due Date:	Cash Discount:	Amount Due:
Due Date:	Total Amount Due:	
03/29/2008	354,368.76	

Currency: USD

Customer Information				Order Information	
Sold To:	906142	Ship To:	906142	Payer:	450264
CHICAGO IL 60611		CHICAGO IL 60611			
				Order Number	50197950
				Tax Number	1403105101
				Delivery Note No.	
				Ship Date	02/28/2008
				Customer Purchase Order Number	NQT4376391073

Message to Customer

Total List \$1,437,152. Purchaser will comply with Sec.1128B(b) of the Social Security Act(42USC1320a-7b) when seeking reimbursement from any governmental entity for products supplied pursuant to this PO. The ACT may require disclosure of any discounts or other reduction in price.

Invoice Detail

Quantity	Description	Price	Disc%	Unit Net Price	Tax%	Net Amt. Before Tax
1	DR 7500WM SYS US&C	450,000.00	40.00	270,000.00	6.25	270,000.00
EA	Catalog No. 8551046					
	Serial No. 589					
	EAN/UPC: +H49185510464J					
1	LNGTDNAL RAILS 6M FOR DR7500 SYS	0	0	0	0	No Charge
EA	Catalog No. 1844547					
	EAN/UPC: +H49118445474N					
1	DV DR SW EVP	25,000.00	39.00	15,250.00	6.25	15,250.00
EA	Catalog No. 8545238					
	EAN/UPC: +H49185452384P					
1	DV DR 5100/7100/9000 SW V1.0, MGMT	10,000.00	39.50	6,050.00	6.25	6,050.00
EA	Catalog No. 8720922					
	EAN/UPC: +H49187209224K					

CUSTOMER B

Customer No. 450264	Invoice Number 176098635	Invoice Date 02/28/2008
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Currency: USD

Invoice Detail

Quantity	Description	Price	Disc%	Unit Net Price	Tax%	Net Amt. Before Tax
1	TRNSVRS RAILS 3M FOR DR7500 SYS	0	0	0	0	No Charge
EA	Catalog No. 8029126 EAN/UPC: +H49180291264I					
1	HANDHELD REMOTE FOR DR7500 WALLSTND	500.00	40.00	300.00	6.25	300.00
EA	Catalog No. 1260777 EAN/UPC: +H49112607774K					
1	GRID MULTI-FOCAL FOR DR7500 WLLSTND	2,000.00	100.00	0	0	No Charge
EA	Catalog No. 8877201 EAN/UPC: +H49188772014N					
1	STATIONARY MOUNT FR DR7500 WALLSTND	0	0	0	0	No Charge
EA	Catalog No. 1353481 EAN/UPC: +H49113534814F					
1	IHE SCHED WORK SOFT FOR DR SYS	2,500.00	40.00	1,500.00	6.25	1,500.00
EA	Catalog No. 8228264 EAN/UPC: +H49182282644M					
1	AUTOPOSITIONING FOR DR 7500 SYS	30,000.00	40.00	18,000.00	6.25	18,000.00
EA	Catalog No. 8490856 EAN/UPC: +H49184908564U					
1	KODAK DIRECTVIEW BASIC USER TRNG	2,000.00	25.00	1,500.00	0	1,500.00
EA	Catalog No. 8280026 EAN/UPC: +H49182800264G					
1	DIRECTVIEW DR WORKFLOW & IMAGE CSTM	2,000.00	25.00	1,500.00	0	1,500.00
EA	Catalog No. 1127174					
1	LAT ARM SUP FOR LFT ANGLED BUCKY	0	0	0	0	No Charge
EA	Catalog No. 1920388					
1	QT-711-EV Elev Mble Tbl US&CR	28,000.00	30.00	19,600.00	6.25	19,600.00
EA	Catalog No. 8623134 EAN/UPC: +H49186231344H					
Total Net Amount:						333,700.00
State Tax:						20,668.76
Invoice Total:						354,368.76

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You must round your figures to whole dollars. (see Instructions.)

Step 1: Alcoholic Liquor Purchases (See Instructions.)

If you are not required to report your purchases, go to Step 2

Note: Distributors will also report your total purchases to us

A Total dollar amount of alcoholic liquor purchased (invoiced and delivered)

Step 2: Taxable Receipts

Table with 3 rows: 1 Total receipts (Include tax) 794,417.00; 2 Deductions - include tax collected 158,395.00; 3 Taxable receipts 636,022.00

Step 3: Tax on Receipts

Sales from locations within Illinois

General merchandise

4a NOT APPLICABLE x RATE = 4b NOT APPLICABLE

Food, drugs, and medical appliances

5a NOT APPLICABLE x RATE = 5b NOT APPLICABLE

Sales from locations outside Illinois

General merchandise

6a 636,022.00 x 0.0625 = 6b 39,751.00

Food, drugs, and medical appliances

7a x = 7b

Sales at prior rates

Receipts taxed at other rates

8a x = 8b

9 Tax due on receipts (Add Lines 4b, 5b, 6b, 7b, and 8b.) 39,751.00

Step 4: Retailer's Discount and Net Tax on Receipts

Table with 2 rows: 10 If you filed and paid by Jul 20, 2007 multiply Line 9 by 0.0175 696.00; 11 Net tax due on receipts (Subtract Line 10 from Line 9) 39,055.00

Step 5: Tax on Purchases

General merchandise

12a 7,630.00 x 0.0625 = 12b 477.00

Food, drugs, and medical appliances

13a x = 13b

Purchases at other rates

14a x = 14b

15 Tax due on purchases (Add Lines 12b, 13b, and 14b.) 477.00

Step 6: Net Tax Due

16 Tax due from receipts and purchases (Add Lines 11 and 15) 39,532.00

16a Manufacturer's Purchase Credit (See instructions) 16a

17 Prepaid sales tax (Attach PST-2, Copy A.) 17

18 Quarter-monthly payments (Paid on Form RR-3 or by EFT) 18

19 Prior overpayment 19

20 Total prepayments (Add Lines 16a, 17, 18, and 19) 20

21 Net tax due (Subtract Line 20 from Line 16) 39,532.00

Step 7: Payment Due

22 Excess tax collected (See instructions) 22

23 Total tax due (Add Lines 21 and 22) 39,532.00

24 Credit memorandum (See instructions) 24

25 Payment due (Subtract Line 24 from Line 23) 39,532.00

Step 8: Sign Below

Under penalties of perjury, I state that I have examined this return and, to the best of my knowledge, it is true, correct and complete. The information in this return is taken from the records of the business for which it is filed.

Signature: [Handwritten Signature] (630) 541-2633 07/13/07
Taxpayer AUTHORIZED AGENT Phone Date

Preparer Phone Date

Do not detach

ST-1 (R-7/04) ID: 1258

This form is for June 2007

This form is due 07/20/07

IBT no.: 5548-8978 CARESTREAM HEALTH INC

1901 Butterfield Rd., Suite 700 Downers Grove IL 60515

7U15DA 1 000

Write the amount you are paying

\$ 39,532.00

Write your remittance and send your payment to ILLINOIS DEPARTMENT OF REVENUE RETAILER'S OCCUPATION TAX SPRINGFIELD IL 62796-0001

Just a reminder



You must round your figures to whole dollars. (see instructions.)

Step 1: Alcoholic Liquor Purchases (See instructions.)

If you are not required to report your purchases, go to Step 2.

Note: Distributors will also report your total purchases to us.

A Total dollar amount of alcoholic liquor purchased (invoiced and delivered)

Step 2: Taxable Receipts

Table with 3 rows: Total receipts (218,413.00), Deductions (105,669.00), Taxable receipts (112,743.00)

Step 3: Tax on Receipts

Sales from locations within Illinois

Table for sales within Illinois: General merchandise (NOT APPLICABLE), Food, drugs, and medical appliances (NOT APPLICABLE)

Sales from locations outside Illinois

Table for sales outside Illinois: General merchandise (7,046.00), Food, drugs, and medical appliances

Sales at prior rates

Table for sales at prior rates: Receipts taxed at other rates (7,046.00), Tax due on receipts (7,046.00)

Step 4: Retailer's Discount and Net Tax on Receipts

Table for Step 4: If you filed and paid by Sep 20, 2007 (123.00), Net tax due on receipts (6,923.00)

Step 5: Tax on Purchases

Table for Step 5: General merchandise (156.00), Food, drugs, and medical appliances, Purchases at other rates, Tax due on purchases (156.00)

Step 6: Net Tax Due

Table for Step 6: Tax due from receipts and purchases (7,079.00), Manufacturer's Purchase Credit, Prepaid sales tax, Quarter-monthly payments, Prior overpayment, Total prepayments, Net tax due (7,079.00)

Step 7: Payment Due

Table for Step 7: Excess tax collected, Total tax due (7,079.00), Credit memorandum, Payment due (7,079.00)

Step 8: Sign Below

Under penalties of perjury, I state that I have examined this return and, to the best of my knowledge, it is true, correct and complete. The information in this return is taken from the records of the business for which it is filed.

Signature of Taxpayer, AUTHORIZED AGENT, Phone (630) 541-2633, Date 09/06/07

Do not detach

ST-1 (R-7/04) ID: 1258

This form is for August 2007

This form is due 09/20/07

IBT no.: 5548-8978 CARESTREAM HEALTH INC

1901 Butterfield Rd., Suite 700 Downers Grove IL 60515

Write the amount you are paying.

\$ 7,079.00

Write your remittance and send your payment to ILLINOIS DEPARTMENT OF REVENUE RETAILER'S OCCUPATION TAX SPRINGFIELD IL 62796-0001

Just a reminder ...



You must round your figures to whole dollars. (see instructions.)

Step 1: Alcoholic Liquor Purchases (See instructions.)

If you are not required to report your purchases, go to Step 2.

Note: Distributors will also report your total purchases to us.

A Total dollar amount of alcoholic liquor purchased
 (invoiced and delivered) _____

Step 2: Taxable Receipts

1 Total receipts (Include tax.) 1 1,302,263.00
 2 Deductions - include tax collected
 (Use the worksheet on the back.) 2 183,752.00
 3 Taxable receipts
 (Subtract Line 2 from Line 1.) 3 1,118,511.00

Step 3: Tax on Receipts

Sales from locations within Illinois

General merchandise

4a NOT APPLICABLE x RATE = 4b NOT APPLICABLE

Food, drugs, and medical appliances

5a NOT APPLICABLE x RATE = 5b NOT APPLICABLE

Sales from locations outside Illinois

General merchandise

6a 1,118,511.00 x 0.0625 = 6b 69,907.00

Food, drugs, and medical appliances

7a _____ x = 7b _____

Sales at prior rates

Receipts taxed at other rates

8a _____ x = 8b _____

9 Tax due on receipts
 (Add Lines 4b, 5b, 6b, 7b, and 8b.) 9 69,907.00

Step 4: Retailer's Discount and Net Tax on Receipts

10 If you filed and paid by Oct 22, 2007
 multiply Line 9 by 0.0175 10 1,223.00
 11 Net tax due on receipts
 (Subtract Line 10 from Line 9.) 11 68,684.00

Step 5: Tax on Purchases

General merchandise

12a 100,205.00 x 0.0625 = 12b 6,263.00

Food, drugs, and medical appliances

13a _____ x = 13b _____

Purchases at other rates

14a _____ x = 14b _____

15 Tax due on purchases

(Add Lines 12b, 13b, and 14b.) 15 6,263.00

Step 6: Net Tax Due

16 Tax due from receipts and purchases

(Add Lines 11 and 15.) 16 74,947.00

16a Manufacturer's Purchase Credit

(See instructions.) 16a _____

17 Prepaid sales tax

(Attach PST-2, Copy A.) 17 _____

18 Quarter-monthly payments

(Paid on Form RR-3 or by EFT) 18 _____

19 Prior overpayment

19 _____

20 Total prepayments

(Add Lines 16a, 17, 18, and 19.) 20 _____

21 Net tax due

(Subtract Line 20 from Line 16.) 21 74,947.00

Step 7: Payment Due

22 Excess tax collected

(See instructions.) 22 _____

23 Total tax due

(Add Lines 21 and 22.) 23 74,947.00

24 Credit memorandum

(See instructions.) 24 _____

25 Payment due

(Subtract Line 24 from Line 23.) 25 74,947.00

Step 8: Sign Below

Under penalties of perjury, I state that I have examined this return and, to the best of my knowledge, it is true, correct and complete. The information in this return is taken from the records of the business for which it is filed.

 (630) 541-2633 10/10/07
 Taxpayer AUTHORIZED AGENT Phone Date
 Preparer Phone Date

Do not detach

ST-1 (R-7/04) ID: 1258

This form is for **September 2007**

This form is due **10/22/07**

IBT no.: 5548-8978
CARESTREAM HEALTH INC

1901 Butterfield Rd., Suite 700
 Downers Grove IL 60515

7U16DA 1.000

Write the amount you are paying.

\$ 74,947.00

Write your remittance and send your payment to
ILLINOIS DEPARTMENT OF REVENUE
RETAILER'S OCCUPATION TAX
SPRINGFIELD IL 62796-0001

Just a reminder ...



You must round your figures to whole dollars. (see instructions.)

Step 1: Alcoholic Liquor Purchases (See instructions.)

If you are not required to report your purchases, go to Step 2.

Note: Distributors will also report your total purchases to us.

A Total dollar amount of alcoholic liquor purchased
 (invoiced and delivered) _____

Step 2: Taxable Receipts

1 Total receipts (Include tax.) 1 393,901.00
 2 Deductions - include tax collected (Use the worksheet on the back.) 2 45,071.00
 3 Taxable receipts (Subtract Line 2 from Line 1.) 3 348,830.00

Step 3: Tax on Receipts

Sales from locations within Illinois

General merchandise
 4a 1,103.00 x 0.0625 = 4b 69.00
 Food, drugs, and medical appliances
 5a NOT APPLICABLE x RATE = 5b NOT APPLICABLE

Sales from locations outside Illinois

General merchandise
 6a 347,727.00 x 0.0625 = 6b 21,733.00
 Food, drugs, and medical appliances
 7a _____ x = 7b _____

Sales at prior rates

Receipts taxed at other rates
 8a _____ x = 8b _____
 9 Tax due on receipts (Add Lines 4b, 5b, 6b, 7b, and 8b) 9 21,802.00

Step 4: Retailer's Discount and Net Tax on Receipts

10 If you filed and paid by Jan 21, 2008 multiply Line 9 by 0.0175 10 382.00
 11 Net tax due on receipts (Subtract Line 10 from Line 9.) 11 21,420.00

Step 5: Tax on Purchases

General merchandise
 12a 41,462.00 x 0.0625 = 12b 2,591.00
 Food, drugs, and medical appliances
 13a _____ x = 13b _____
 Purchases at other rates
 14a _____ x = 14b _____
 15 Tax due on purchases (Add Lines 12b, 13b, and 14b.) 15 2,591.00

Step 6: Net Tax Due

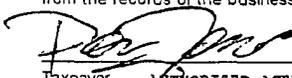
16 Tax due from receipts and purchases (Add Lines 11 and 15.) 16 24,011.00
 16a Manufacturer's Purchase Credit (See instructions.) 16a _____
 17 Prepaid sales tax (Attach PST-2, Copy A.) 17 _____
 18 Quarter-monthly payments (Paid on Form RR-3 or by EFT) 18 _____
 19 Prior overpayment 19 _____
 20 Total prepayments (Add Lines 16a, 17, 18, and 19.) 20 _____
 21 Net tax due (Subtract Line 20 from Line 16.) 21 24,011.00

Step 7: Payment Due

22 Excess tax collected (See instructions.) 22 _____
 23 Total tax due (Add Lines 21 and 22.) ▶ 23 24,011.00
 24 Credit memorandum (See instructions.) 24 _____
 25 Payment due (Subtract Line 24 from Line 23.) ▶ 25 24,011.00

Step 8: Sign Below

Under penalties of perjury, I state that I have examined this return and, to the best of my knowledge, it is true, correct and complete. The information in this return is taken from the records of the business for which it is filed.

 (630) 541-2708 01/15/08
 Taxpayer AUTHORIZED AGENT Phone Date
 Preparer _____ Phone _____ Date _____

Do not detach

ST-1 (R-7/04) ID: 1258

This form is for December 2007

This form is due 01/21/08

IBT no.: 5548-8978
 CARESTREAM HEALTH INC

1901 Butterfield Rd., Suite 700
 Downers Grove IL 60515

8U15DA 1 000

Write the amount you are paying.

\$ 24,011.00

Write your remittance and send your payment to
 ILLINOIS DEPARTMENT OF REVENUE
 RETAILER'S OCCUPATION TAX
 SPRINGFIELD IL 62796-0001

Just a reminder ... →

You must round your figures to whole dollars. (see instructions.)

Step 1: Alcoholic Liquor Purchases (See instructions.)

If you are not required to report your purchases, go to Step 2.
 Note: Distributors will also report your total purchases to us.

A Total dollar amount of alcoholic liquor purchased
 (Invoiced and delivered) _____

Step 2: Taxable Receipts

1 Total receipts (Include tax.) 1 484,677.00
 2 Deductions - include tax collected 2 484,677.00
 (Use the worksheet on the back.)
 3 Taxable receipts 3 _____
 (Subtract Line 2 from Line 1.)

Step 3: Tax on Receipts

Sales from locations within Illinois

General merchandise

4a NOT APPLICABLE x 0.1335 = 4b NOT APPLICABLE

Food, drugs, and medical appliances

5a NOT APPLICABLE x RATE = 5b NOT APPLICABLE

Sales from locations outside Illinois

General merchandise

6a _____ x 0.0625 = 6b _____

Food, drugs, and medical appliances

7a _____ x = 7b _____

Sales at prior rates

Receipts taxed at other rates

8a _____ x = 8b _____

9 Tax due on receipts 9 _____
 (Add Lines 4b, 5b, 6b, 7b, and 8b.)

Step 4: Retailer's Discount and Net Tax on Receipts

10 If you filed and paid by Feb 20, 2008
 multiply Line 9 by 0.0175 10 _____
 11 Net tax due on receipts 11 _____
 (Subtract Line 10 from Line 9.)

Step 5: Tax on Purchases

General merchandise

12a _____ x 0.0625 = 12b _____

Food, drugs, and medical appliances

13a _____ x = 13b _____

Purchases at other rates

14a _____ x = 14b _____

15 Tax due on purchases 15 _____
 (Add Lines 12b, 13b, and 14b)

Step 6: Net Tax Due

16 Tax due from receipts and purchases 16 _____
 (Add Lines 11 and 15.)

16a Manufacturer's Purchase Credit 16a _____
 (See instructions.)

17 Prepaid sales tax 17 _____
 (Attach PST-2, Copy A.)

18 Quarter-monthly payments 18 _____
 (Paid on Form RR-3 or by EFT)

19 Prior overpayment 19 _____

20 Total prepayments 20 _____
 (Add Lines 16a, 17, 18, and 19.)

21 Net tax due 21 _____
 (Subtract Line 20 from Line 16.)

Step 7: Payment Due

22 Excess tax collected 22 _____
 (See instructions.)

23 Total tax due 23 _____
 (Add Lines 21 and 22.)

24 Credit memorandum 24 _____
 (See instructions.)

25 Payment due 25 0
 (Subtract Line 24 from Line 23.)

Step 8: Sign Below

Under penalties of perjury, I state that I have examined this return and, to the best of my knowledge, it is true, correct and complete. The information in this return is taken from the records of the business for which it is filed.

Taxpayer _____ (630) 541-2708 02/15/08
 AUTHORIZED AGENT Phone Date

Preparer _____ Phone _____ Date _____

Do not detach

ST-1 (R-7/04) ID: 1258

This form is for January 2008

This form is due 02/20/08

IBT no.: 5548-8978
 CARESTREAM HEALTH INC

1901 Butterfield Rd Suite 700
 Downers Grove IL 60515

BU15DA 1 000

Write the amount you are paying.

\$ _____

Write your remittance and send your payment to
ILLINOIS DEPARTMENT OF REVENUE
RETAILER'S OCCUPATION TAX
SPRINGFIELD IL 62796-0001

Just a reminder ... 

00201010812589 55488978

You must round your figures to whole dollars. (see instructions.)

Step 1: Alcoholic Liquor Purchases (See instructions.)

If you are not required to report your purchases, go to Step 2.

Note: Distributors will also report your total purchases to us.

A Total dollar amount of alcoholic liquor purchased
 (invoiced and delivered) _____

Step 2: Taxable Receipts

1 Total receipts (Include tax.) 1 4,810,716.00
 2 Deductions - include tax collected (Use the worksheet on the back.) 2 4,810,716.00
 3 Taxable receipts (Subtract Line 2 from Line 1.) 3 _____

Step 3: Tax on Receipts

Sales from locations within Illinois

General merchandise

4a NOT APPLICABLE x RATE = 4b NOT APPLICABLE

Food, drugs, and medical appliances

5a NOT APPLICABLE x RATE = 5b NOT APPLICABLE

Sales from locations outside Illinois

General merchandise

6a _____ x 0.0625 = 6b _____

Food, drugs, and medical appliances

7a _____ x _____ = 7b _____

Sales at prior rates

Receipts taxed at other rates

8a _____ x _____ = 8b _____

9 Tax due on receipts (Add Lines 4b, 5b, 6b, 7b, and 8b.) 9 _____

Step 4: Retailer's Discount and Net Tax on Receipts

10 If you filed and paid by Mar 20, 2008 multiply Line 9 by 0.0175 10 _____
 11 Net tax due on receipts (Subtract Line 10 from Line 9.) 11 _____

Step 5: Tax on Purchases

General merchandise

12a _____ x 0.0625 = 12b _____

Food, drugs, and medical appliances

13a _____ x _____ = 13b _____

Purchases at other rates

14a _____ x _____ = 14b _____

15 Tax due on purchases (Add Lines 12b, 13b, and 14b.) 15 _____

Step 6: Net Tax Due

16 Tax due from receipts and purchases (Add Lines 11 and 15) 16 _____

16a Manufacturer's Purchase Credit (See instructions.) 16a _____

17 Prepaid sales tax (Attach PST-2, Copy A.) 17 _____

18 Quarter-monthly payments (Paid on Form RR-3 or by EFT) 18 _____

19 Prior overpayment 19 _____

20 Total prepayments (Add Lines 16a, 17, 18, and 19.) 20 _____

21 Net tax due (Subtract Line 20 from Line 16.) 21 _____

Step 7: Payment Due

22 Excess tax collected (See instructions.) 22 _____

23 Total tax due (Add Lines 21 and 22.) 23 _____

24 Credit memorandum (See instructions.) 24 _____

25 Payment due (Subtract Line 24 from Line 23.) 25 0

Step 8: Sign Below

Under penalties of perjury, I state that I have examined this return and, to the best of my knowledge, it is true, correct and complete. The information in this return is taken from the records of the business for which it is filed.

Taxpayer [Signature] (630) 541-2708 03/15/08
 AUTHORIZED AGENT Phone Date
 Preparer _____ Phone _____ Date _____

Illinois Services **Try filing electronically!**
 tax illinois.gov

ST-1 (R-3/06) ID: 1258
 This form is for February 2008
 This form is due March 20, 2008

IBT no.: 5548-8978
 CARESTREAM HEALTH INC

1901 Butterfield Rd Suite 700
 Downers Grove IL 60515
 8U15DA 2 000

Write the amount you are paying.
 \$ _____

Write your remittance and send your payment to
ILLINOIS DEPARTMENT OF REVENUE
RETAILER'S OCCUPATION TAX
SPRINGFIELD IL 62796-0001

Just a reminder ... →

You must round your figures to whole dollars. (see instructions.)

Step 1: Alcoholic Liquor Purchases (See instructions.)

If you are not required to report your purchases, go to Step 2.

Note: Distributors will also report your total purchases to us.

A Total dollar amount of alcoholic liquor purchased
 (invoiced and delivered) _____

Step 2: Taxable Receipts

1 Total receipts (Include tax.) 1 3,321,495.00
 2 Deductions - Include tax collected (Use the worksheet on the back.) 2 3,321,495.00
 3 Taxable receipts (Subtract Line 2 from Line 1.) 3 _____

Step 3: Tax on Receipts

Sales from locations within Illinois

General merchandise

4a NOT APPLICABLE x RATE = 4b NOT APPLICABLE

Food, drugs, and medical appliances

5a NOT APPLICABLE x RATE = 5b NOT APPLICABLE

Sales from locations outside Illinois

General merchandise

6a _____ x 0.0625 = 6b _____

Food, drugs, and medical appliances

7a _____ x _____ = 7b _____

Sales at prior rates

Receipts taxed at other rates

8a _____ x _____ = 8b _____

9 Tax due on receipts (Add Lines 4b, 5b, 6b, 7b, and 8b.) 9 _____

Step 4: Retailer's Discount and Net Tax on Receipts

10 If you filed and paid by May 20, 2008 multiply Line 9 by 0.0175 10 _____
 11 Net tax due on receipts (Subtract Line 10 from Line 9.) 11 _____

Step 5: Tax on Purchases

General merchandise

12a _____ x 0.0625 = 12b _____

Food, drugs, and medical appliances

13a _____ x _____ = 13b _____

Purchases at other rates

14a _____ x _____ = 14b _____

15 Tax due on purchases (Add Lines 12b, 13b, and 14b.) 15 _____

Step 6: Net Tax Due

16 Tax due from receipts and purchases (Add Lines 11 and 15.) 16 _____

16a Manufacturer's Purchase Credit (See instructions.) 16a _____

17 Prepaid sales tax (Attach PST-2, Copy A) 17 _____

18 Quarter-monthly payments (Paid on Form RR-3 or by EFT) 18 _____

19 Prior overpayment 19 _____

20 Total prepayments (Add Lines 16a, 17, 18, and 19.) 20 _____

21 Net tax due (Subtract Line 20 from Line 16.) 21 _____

Step 7: Payment Due

22 Excess tax collected (See instructions.) 22 _____

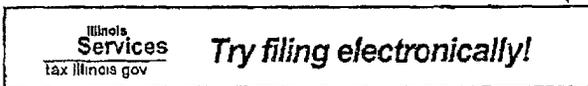
23 Total tax due (Add Lines 21 and 22.) 23 _____

24 Credit memorandum (See instructions.) 24 _____

25 Payment due (Subtract Line 24 from Line 23.) 25

Step 8: Sign Below

Under penalties of perjury, I state that I have examined this return and, to the best of my knowledge, it is true, correct and complete. The information in this return is taken from the records of the business for which it is filed.



Taxpayer: _____ (630) 541-2708 05/15/08
 AUTHORIZED AGENT Phone Date
 Preparer: _____ Phone Date

ST-1 (R-3/06) ID: 1258

This form is for April 2008

This form is due May 20, 2008

IBT no.: 5548-8978
 CARESTREAM HEALTH INC

1901 Butterfield Rd Suite 700
 Downers Grove IL 60515

8U150A 2 000

Write the amount you are paying.

\$ _____

Write your remittance and send your payment to
ILLINOIS DEPARTMENT OF REVENUE
RETAILER'S OCCUPATION TAX
SPRINGFIELD IL 62796-0001

Just a reminder ... →