BEFORE THE ILLINOIS INDEPENDENT TAX TRIBUNAL

CHASE WESTERN, INC.	)
	)
Taxpayer/Petitioner	)
	)
v.	)
	)
DEPARTMENT OF REVENUE	)
OF THE STATE OF ILLINOIS	)

RECEIVED
JUL 17 2014
BY:_____
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TAXPAYER'S PETITION

Taxpayer/Petitioner, Chase Western, Inc. ("Chase Western"), by and through its attorneys, The Law Offices of Edward T. Joyce & Associates, P.C., submits the following Petition pursuant to Section 5000.310(a) of the Tax Tribunal's Rules.

JURISDICTIONAL STATEMENT

1. On February 19, 2014, The Department of Revenue, (the "Department") issued four notice of deficiencies ("NODs") to Chase Western. Copies of those NODs are attached hereto as Exhibits 1-4.

2. Chase Western inadvertently failed to protest the NODs within the required time period.

3. On June 23, 2014, Chase Western submitted a request for a late discretionary hearing to the Acting Chief Administrative Law Judge, Terry D. Charlton.

4. On July 11, 2014, Judge Charlton granted Chase Western's request for a late discretionary hearing. A copy of Judge Charlton's letter granting the request is attached hereto as Exhibit 5.

5. Chase Western is filing this Petition pursuant to 35 ILCS 1010/1-45.

TAXPAYER INFORMATION

6. Chase Western owns and operates a restaurant and bar establishment commonly known as Mullens Bar & Grill. Chase Western's taxpayer ID number, address and phone number are:

a. **Taxpayer ID:** 36-4141550

b. **Address:** 505 Chicago Ave., Chicago, Illinois 60202;

c. **Phone number:** (773) 465-2113

7. Chase Western's attorneys' information is:

a. **Name and Address:** The Law Offices of Edward T. Joyce & Associates, P.C., 135 S. LaSalle St., Suite 2200, Chicago, Illinois 60603;

b. **Phone number**: (312) 641-2600.

c. **Email**: rcarroll@joycelaw.com.

BASIS OF PROTEST

8. On February 14, 2013, Chase Western received a Notice of Tax Liability ("NTL"), notifying Chase Western that as a result of a sale's tax audit, it owes an additional $408,980.95 in sales taxes, penalties and interest for the time period 2008-2011. The auditor arrived at this tax liability by determining excepted receipts from Chase Western's purchases.

9. Chase Western determined that the auditor made errors in her determination of its purchases, some of which were mathematical and some of which were based on factual errors, such as the auditor erroneously including purchases of items that were not purchased for resale. Chase Western filed a timely protest to that NTL and a hearing was initiated (the "Sales Tax Hearing").

10. The Sales Tax Hearing is currently pending before the Department of Revenue's Office of Administrative Hearings and has been assigned docket number 13-ST-0084.

11. On February 19, 2014, the Department assessed Illinois business tax income deficiencies, with penalties and interest, against Chase Western for the following years in the following amounts:

a. 2008 -- $16,894.26 (See Ex. 1);

b. 2009 -- $16,517.25 (See Ex. 2);

c. 2010 -- $5,277.01 (See Ex. 3); and,

d. 2011 -- $10,878.63 (See Ex. 4).

12. Those adjustments/deficiencies were assessed based on the results of the sales tax audit discussed above.

13. Chase Western and the Department have been negotiating a settlement of the sales tax audit protest and it is likely that the parties will agree to a reduced deficiency amount in the very near future.

14. If the sales tax deficiency is reduced, either as a result of a settlement or a hearing, then the income tax deficiency, which is based upon the sales tax deficiency, should likewise be reduced in a corresponding amount.

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RELIEF REQUESTED

15. Chase Western is seeking to have the income tax deficiency amount reduced in an amount that corresponds with any reductions made to the sales tax deficiencies for the period 2008-2011.

Respectfully submitted,
CHASE WESTERN, INC.

By: _____
One of its attorneys

Robert D. Carroll
The Law Offices of Edward T. Joyce and Associates, P.C.
135 S. LaSalle St., Ste., 2200
Chicago, IL 60603
Phone -- (312) 641-2600
Email – rcarroll@joycelaw.com

Notice of Deficiency

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

STATE OF Illinois
DEPARTMENT OF REVENUE
tax.illinois.gov

February 19, 2014

Letter ID: CNXXXX9524642246

#BWNKMGV
#CNXX XX95 2464 2246#
CHASE WESTERN INC
7301 N WESTERN AVE
CHICAGO IL 60645

Taxpayer ID:	36-4141550
Audit ID:	A1806032896
Reporting period:	December 2008
Total Deficiency:	$16,605.02
Balance due:	$16,605.02

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

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

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

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

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

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

Sincerely,

Brian Hamer

Brian Hamer
Director

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

(217) 558-4960

Statement

Date: February 19, 2014
Name: CHASE WESTERN INC
Taxpayer ID: 36-4141550
Letter ID CNXXXX9524642246

Reasons for deficiency

We adjusted your federal taxable income to include all receipts based on a review of your Illinois Sales Tax returns. [35 ILCS 5/203(b)(1), (c)(1), (d)(1)]

If this liability qualified for amnesty, and you did not pay that liability during the amnesty period held October 1, 2010, through November 8, 2010, your penalty and interest amounts may be doubled. [86 Ill. Admin. Code 520/101(b)]

Penalties

We are imposing an additional late-payment penalty because you did not pay the amount shown due on the Form IL-870, Waiver of Restrictions, within 30 days after the "Date of Issuance" shown on the form. Once an audit has been initiated, the additional late payment penalty is assessed at 15% of the late payment. Failure to pay the amount due or invoke protest rights within 30 days from the "Date of Issuance" on the Form IL-870, results in this penalty increasing to 20%. [35 ILCS 735-/3-3(b-20)(2)] (for liabilities due on or after 1/1/2005)

Interest

Interest on tax in the amount of $2,830.42 has been computed through February 19, 2014.

Bankruptcy Information

If you are currently under the protection of the Federal Bankruptcy Court, contact us and provide the bankruptcy number and the bankruptcy court. The bankruptcy automatic stay does not change the fact that you are required to file tax returns.

Taxpayer Bill of Rights

- You have the right to call the Department of Revenue for help in resolving tax problems.
- You have the right to privacy and confidentiality under most tax laws.
- You have the right to respond, within specified time periods, to Department notices by asking questions, paying the amount due, or providing proof to refute the Department's findings.
- You have the right to appeal Department decisions, in many instances, within specified time periods, by asking for Department review, by filing a petition with the Illinois Independent Tax Tribunal, or by filing a complaint in circuit court.
- If you have overpaid your taxes, you have the right to a credit (or, in some cases, a refund) of that overpayment.
- For more information about these rights and other Department procedures, you may contact us. Our contact information is on the front of this notice.

Statement

Date: February 19, 2014
Name: CHASE WESTERN INC
Taxpayer ID: 36-4141550
Letter ID: CNXXXX9524642246

Computation of deficiency	Reporting Period: 31-Dec-2008
Unmodified base income or loss	
Total unmodified base income or loss	$656,345.00
Income or loss	
Illinois replacement tax deducted	$21.00
Illinois bonus depreciation addition	$489.00
Other additions	$0.00
Total income or loss	$656,855.00
Illinois base income or net loss	
Illinois bonus depreciation subtraction	$917.00
Total subtractions	$917.00
Base income or net loss	$655,938.00
Income allocable to Illinois	
Nonbusiness income or loss	$0.00
Non-unitary partnership business income/loss	$0.00
Business income or loss	$655,938.00
Apportionment formula	
Total sales everywhere	$0.00
Total Illinois sales	$0.00
Apportionment factor	1.000000
Business income/loss apportionable to IL	$0.00
Non-business income/loss allocable to IL	$0.00
Non-unitary part bus income/loss apprtn to IL	$0.00
Base income or net loss allocable to IL	$0.00
Net income	
Base income or net loss	$655,938.00
Illinois net loss deduction (NLD)	$0.00
Net income	$655,938.00
Net replacement tax	
Replacement tax	$9,839.00
Recapture of investment credits	$0.00
Replacement tax before investment credits	$9,839.00
Replacement tax investment credits	$0.00
Total net replacement tax due	$9,839.00

Statement

Date: February 19, 2014
Name: CHASE WESTERN INC
Taxpayer ID: 36-4141550
Letter ID: CNXXXX9524642246

Total tax deficiency	$9,839.00
UPIA-5 late-payment penalty (Audit)	$3,935.60
Plus interest on tax through February 19, 2014	$2,830.42
Total deficiency	* $16,605.02

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

Balance due	* $16,605.02

Bankruptcy Information

If you are currently under the protection of the Federal Bankruptcy Court, contact us and provide the bankruptcy number and the bankruptcy court. The bankruptcy automatic stay does not change the fact that you are required to file tax returns.

Taxpayer Bill of Rights

- You have the right to call the Department of Revenue for help in resolving tax problems.
- You have the right to privacy and confidentiality under most tax laws.
- You have the right to respond, within specified time periods, to Department notices by asking questions, paying the amount due, or providing proof to refute the Department's findings.
- You have the right to appeal Department decisions, in many instances, within specified time periods, by asking for Department review, by filing a petition with the Illinois Independent Tax Tribunal, or by filing a complaint in circuit court.
- If you have overpaid your taxes, you have the right to a credit (or, in some cases, a refund) of that overpayment.
- For more information about these rights and other Department procedures, you may contact us. Our contact information is on the front of this notice.

Notice of Deficiency

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

STATE OF Illinois
DEPARTMENT OF REVENUE
tax.illinois.gov

February 19, 2014

Letter ID: CNXXXX6169199X47

#BWNKMGV
#CNXX XX61 6919 9X47#
CHASE WESTERN INC
7301 N WESTERN AVE
CHICAGO IL 60645

Taxpayer ID:	36-4141550
Audit ID:	A1806032896
Reporting period:	December 2009
Total Deficiency:	$16,296.78
Balance due:	$16,296.78

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

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

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

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

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

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

Sincerely,

Brian Hamer
Director

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

(217) 558-4960

Statement

Date: February 19, 2014
Name: CHASE WESTERN INC
Taxpayer ID: 36-4141550
Letter ID: CNXXXX6169199X47

Reasons for deficiency

We adjusted your federal taxable income to include all receipts based on a review of your Illinois Sales Tax returns. [35 ILCS 5/203(b)(1), (c)(1), (d)(1)]

Penalties

We are imposing an additional late-payment penalty because you did not pay the amount shown due on the Form IL-870, Waiver of Restrictions, within 30 days after the "Date of Issuance" shown on the form. Once an audit has been initiated, the additional late payment penalty is assessed at 15% of the late payment. Failure to pay the amount due or invoke protest rights within 30 days from the "Date of Issuance" on the Form IL-870, results in this penalty increasing to 20%. [35 ILCS 735-/3-3(b-20)(2)] (for liabilities due on or after 1/1/2005)

Interest

Interest on tax in the amount of $1,264.38 has been computed through February 19, 2014.

Statement

Date: February 19, 2014
Name: CHASE WESTERN INC
Taxpayer ID: 36-4141550
Letter ID: CNXXXX6169199X47

Computation of deficiency	Reporting Period: 31-Dec-2009
Unmodified base income or loss	
Total unmodified base income or loss	$835,364.00
Income or loss	
Illinois bonus depreciation addition	$3,507.00
Other additions	$0.00
Total income or loss	$838,871.00
Illinois base income or net loss	
Illinois bonus depreciation subtraction	$3,721.00
Total subtractions	$3,721.00
Base income or net loss	$835,150.00
Income allocable to Illinois	
Nonbusiness income or loss	$0.00
Non-unitary partnership business income/loss	$0.00
Business income or loss	$835,150.00
Apportionment formula	
Total sales everywhere	$0.00
Total Illinois sales	$0.00
Apportionment factor	1.000000
Business income/loss apportionable to IL	$0.00
Non-business income/loss allocable to IL	$0.00
Non-unitary part bus income/loss apprtn to IL	$0.00
Base income or net loss allocable to IL	$0.00
Net income	
Base income or net loss	$835,150.00
Illinois net loss deduction (NLD)	$0.00
Net income	$835,150.00
Net replacement tax	
Replacement tax	$12,527.00
Recapture of investment credits	$0.00
Replacement tax before investment credits	$12,527.00
Replacement tax investment credits	$0.00
Total net replacement tax due	$12,527.00
Total tax deficiency	$12,527.00

Statement

Date: February 19, 2014
Name: CHASE WESTERN INC
Taxpayer ID: 36-4141550
Letter ID: CNXXXX6169199X47

UPIA-5 late-payment penalty (Audit)	$2,505.40
Plus interest on tax through February 19, 2014	$1,264.38
Total deficiency	* $16,296.78

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

Balance due	* $16,296.78

Bankruptcy Information

If you are currently under the protection of the Federal Bankruptcy Court, contact us and provide the bankruptcy number and the bankruptcy court. The bankruptcy automatic stay does not change the fact that you are required to file tax returns.

Taxpayer Bill of Rights

- You have the right to call the Department of Revenue for help in resolving tax problems.
- You have the right to privacy and confidentiality under most tax laws.
- You have the right to respond, within specified time periods, to Department notices by asking questions, paying the amount due, or providing proof to refute the Department's findings.
- You have the right to appeal Department decisions, in many instances, within specified time periods, by asking for Department review, by filing a petition with the Illinois Independent Tax Tribunal, or by filing a complaint in circuit court.
- If you have overpaid your taxes, you have the right to a credit (or, in some cases, a refund) of that overpayment.
- For more information about these rights and other Department procedures, you may contact us. Our contact information is on the front of this notice.

Notice of Deficiency

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

STATE OF Illinois
DEPARTMENT OF REVENUE
tax.illinois.gov

February 19, 2014

Letter ID: CNXXX14222262725

#BWNKMGV
#CNXX X142 2226 2725#
CHASE WESTERN INC
7301 N WESTERN AVE
CHICAGO IL 60645

Taxpayer ID:	36-4141550
Audit ID:	A1806032896
Reporting period:	December 2010
Total Deficiency:	$5,137.89
Balance due:	$5,137.89

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

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

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

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

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

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

Sincerely,

Brian Hamer
Director

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

(217) 558-4960

Statement

Date: February 19, 2014
Name: CHASE WESTERN INC
Taxpayer ID: 36-4141550
Letter ID: CNXXX13487986887

Computation of deficiency	Reporting Period: 31-Dec-2011
Unmodified base income or loss	
Total unmodified base income or loss	$580,586.00
Income or loss	
Other additions	$0.00
Total income or loss	$580,586.00
Income allocable to Illinois	
Nonbusiness income or loss	$0.00
Non-unitary partnership business income/loss	$0.00
Business income or loss	$580,586.00
Apportionment formula	
Total sales everywhere	$0.00
Total Illinois sales	$0.00
Apportionment factor	1.000000
Business income/loss apportionable to IL	$0.00
Non-business income/loss allocable to IL	$0.00
Non-unitary part bus income/loss apprtn to IL	$0.00
Base income or net loss allocable to IL	$0.00
Net income	
Base income or net loss	$580,586.00
Illinois net loss deduction (NLD)	$0.00
Net income	$580,586.00
Net replacement tax	
Replacement tax	$8,709.00
Recapture of investment credits	$0.00
Replacement tax before investment credits	$8,709.00
Replacement tax investment credits	$0.00
Total net replacement tax due	$8,709.00
Total tax deficiency	$8,709.00
UPIA-5 late-payment penalty (Audit)	$1,741.80
Plus interest on tax through February 19, 2014	$244.09
Total deficiency	* $10,694.89

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

Statement

Date: February 19, 2014
Name: CHASE WESTERN INC
Taxpayer ID: 36-4141550
Letter ID: CNXXX13487986887

Balance due	* $10,694.89

Bankruptcy Information

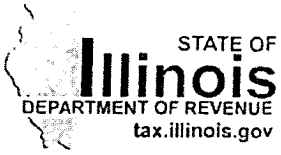
If you are currently under the protection of the Federal Bankruptcy Court, contact us and provide the bankruptcy number and the bankruptcy court. The bankruptcy automatic stay does not change the fact that you are required to file tax returns.

Taxpayer Bill of Rights

- You have the right to call the Department of Revenue for help in resolving tax problems.
- You have the right to privacy and confidentiality under most tax laws.
- You have the right to respond, within specified time periods, to Department notices by asking questions, paying the amount due, or providing proof to refute the Department's findings.
- You have the right to appeal Department decisions, in many instances, within specified time periods, by asking for Department review, by filing a petition with the Illinois Independent Tax Tribunal, or by filing a complaint in circuit court.
- If you have overpaid your taxes, you have the right to a credit (or, in some cases, a refund) of that overpayment.
- For more information about these rights and other Department procedures, you may contact us. Our contact information is on the front of this notice.

Notice of Deficiency

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



February 19, 2014

Letter ID: CNXXX13487986887

#BWNKMGV
#CNXX X134 8798 6887#
CHASE WESTERN INC
7301 N WESTERN AVE
CHICAGO IL 60645

Taxpayer ID:	36-4141550
Audit ID:	A1806032896
Reporting period:	December 2011
Total Deficiency:	$10,694.89
Balance due:	$10,694.89

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

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

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

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

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

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

Sincerely,

Brian Hamer
Director

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

(217) 558-4960

Statement

Date: February 19, 2014
Name: CHASE WESTERN INC
Taxpayer ID: 36-4141550
Letter ID: CNXXX13487986887

Reasons for deficiency

We adjusted your federal taxable income to include all receipts based on a review of your Illinois Sales Tax returns. [35 ILCS 5/203(b)(1), (c)(1), (d)(1)]

Penalties

We are imposing an additional late-payment penalty because you did not pay the amount shown due on the Form IL-870, Waiver of Restrictions, within 30 days after the "Date of Issuance" shown on the form. Once an audit has been initiated, the additional late payment penalty is assessed at 15% of the late payment. Failure to pay the amount due or invoke protest rights within 30 days from the "Date of Issuance" on the Form IL-870, results in this penalty increasing to 20%. [35 ILCS 735-/3-3(b-20)(2)] (for liabilities due on or after 1/1/2005)

Interest

Interest on tax in the amount of $244.09 has been computed through February 19, 2014.

Illinois Department of Revenue
OFFICE OF ADMINISTRATIVE HEARINGS
Willard Ice Building
101 West Jefferson Street – Level 5SW
Springfield, IL 62702
(217)782-6995

July 11, 2014

Robert D. Carroll
Law Offices of Edward T. Joyce
135 S. LaSalle St. Suite 2200
Chicago, IL 60603

Re: **Late Discretionary Hearing Granted – Tribunal Jurisdiction**
Chase Western, Inc.
Taxpayer ID: 36-4141550
4 Notices of Deficiency ("NODs")
Letter ID: CNXXXX9524642246, dated February 19, 2014
Letter ID: CNXXXX61692199X47, dated February 19, 2014
Letter ID: CNXXX14222262725, dated February 19, 2014
Letter ID: CNXXX13487986887, dated February 19, 2014

Dear Mr. Carroll:

The Office of Administrative Hearings of the Illinois Department of Revenue received your request for a late discretionary hearing for Chase Western, Inc. regarding the above NODs. Based on the information provided in your request, I believe that it is appropriate to grant your request for a late discretionary hearing for Chase Western, Inc. for the above NODs.

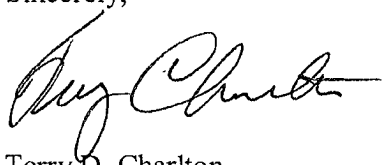
The amount of liability at issue for the protests for this taxpayer exceed the statutory amount ($15,000, exclusive of penalties and interest) or ($15,000 for notices that involve only penalties and interest) for which the Department has jurisdiction for late discretionary hearings that are granted on or after January 1, 2014. For late discretionary hearings that are granted on or after January 1, 2014 and that exceed the statutory amount, jurisdiction is vested solely in the Illinois Independent Tax Tribunal (Tax Tribunal). See 35 ILCS 1010/1-1 *et seq.*

The Tax Tribunal's website (www.illinois.gov/taxtribunal) contains rules that include guidance on filing requirements and contact information for the Tax Tribunal. **The Tax Tribunal's rules provide that, when a late discretionary hearing is granted**

and the protest meets the statutory amount, the taxpayer shall file a petition with the Tax Tribunal within 60 days and shall attach a copy of the letter granting the late discretionary hearing. See Subsection (a)(5) of Section 5000.310 of the Tax Tribunal's rules. Please note that the Tax Tribunal has different requirements than the Department for filing protests, including the payment of filing fees and the filing of a petition in the form required by the Tax Tribunal.

I recommend that you review the information provided on the Tax Tribunal's website and contact them if you have any questions.

Sincerely,



Terry D. Charlton
Chief Administrative Law Judge
Illinois Department of Revenue

TDC