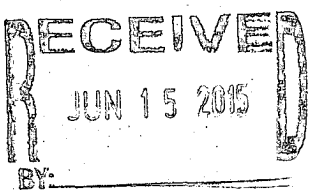
IN THE ILLINOIS INDEPENDENT TAX TRIBUNAL.



15 TT 119

J.A.W. AQUA BELLA INC.)

Petitioner)

v.)

CONSTANCE BEARD in her official capacity as)

DIRECTOR OF THE ILLINOIS DEPARTMENT)

OF REVENUE, and the ILLINOIS DEPARTMENT)

OF REVENUE,)

Defendants.

PETITION

Petitioner, JA W Aqua Bella Inc. ("Petitioner") by and through its attorney, Mansoor Ansari, complains of the Defendants, the Illinois Department of Revenue ("Department") and Constance Beard, Director of the Department ("Director Beard"), and alleges as follows:

1. Petitioner is an Illinois Corporation located at 519 W Algonquin Rd., Arlington Heights, IL, 60005, and can be reached at 847-807-8515.
2. Petitioner is represented by Mansoor Ansari located at 500 N. Michigan Avenue., Suite 600, Chicago, Illinois, 60611, who can be reached at 312-265-5626 or ma@myillinoistaxattorney.com.
3. Petitioner's Illinois business tax number is 2112-6518.
4. Petitioner was formed a Corporation on 4/10/1989, JA W Aqua Bella Inc., to operate a restaurant and bar.
5. The Department is an agency of the Executive Department of the State Government and is tasked with the enforcement and administration of Illinois tax laws. 20 ILCS5/5-15.
6. Director Beard is the current Director of the Department.
7. Director Beard is lawfully appointed by the Governor of the State of Illinois to execute the powers and discharge the duties vested by law in the director of the Department. 20 ILCS 5/5-20.

NOTICE

8. On April 21, 2015, the Defendants issued one Notice of Tax Liability ("Notice") totaling tax, penalties and interest of $35,502,10 for the period of December 31st, 2011. True and accurate copies of the Notices are attached hereto as Exhibit A.

JURISDICTION

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

10. The Tribunal has jurisdiction over this matter pursuant to Sections 1-15, 1-45, and 1-50 of the Tribunal Act because Petitioner timely filed a protest with the Department's Office of Administrative hearings within 60 days of the Notices and elected to transfer the case to the Tribunal before June 20th, 2015.

BACKGROUND

11. Petitioner's business was created to operate a restaurant, inclusive of providing food, drink, and hosting events.

12. The Department audited the Petitioner's books and records for the Periods at Issue.

13. In addition to performing an audit of the Petitioner's sales, the Department's auditor also utilized a sample period and extrapolated those figures to the entire audit period.

14. The Department made several adjustments to Petitioner's sales and use tax returns that resulted in the assessed liability at issue.

15. The Department has incorrectly applied sales tax to credit card transaction fees charged to customers of the taxpayer.

16. The Department has not allowed Chicago City Tax deductions paid.

17. The Department has applied sales tax to deposits made by customers of the hotel for weddings and similar events to be performed in the future.

18. The Department has not recognized that the taxpayer as a cash based business where sales tax is paid when the transaction with the customer is realized.

19. On August 12, 2014, Petitioner timely filed a request for an Informal Conference Board Hearing, specifically reserving the right to transfer the case from the IDOR to the Illinois Independent Tax tribunal. A true and accurate copy of Petitioner's protest is attached hereto as Exhibit B.

COUNT 1 – Improper method of calculating sales must not be used to determine liability.

20. Petitioner alleges that the sampling method cannot be used to extrapolate sales.

21. That the credit card transaction fees must not be a basis to levy sales tax.

22. That sales tax must not be levied on deposits for events that are to take place in the future.

COUNT 2 – Penalties

23. Petitioner alleges that the penalties of $13440.00 must not be applied.

24. Petitioner, relying on Illinois law and regulations, exercised ordinary business care and prudence when it reasonably determined that it did not owe Illinois sales tax on the full amount of assessment.

25. The Department's determination that Petitioner owes penalties on late payment of tax is not supported by fact or law.

COUNT 3 – Disallowed deduction

26. The Department has incorrectly disallowed taxes paid to the City of Chicago as a deduction for the taxpayer.

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

a) Finds and declares that all penalties should be fully abated based on reasonable cause.

b) Finds and declares that credit card transaction fees are not subject to sales tax.

c) Finds and declares that deposits must not be subject to sales tax.

d) Finds and declares that City Tax deductions must be allowed.

e) Enjoins the Department from taking any action to assess, lien, levy, offset, or in any other way prosecute and collect the amount of penalties on the notices; and

f) Grants such further relief as the Tribunal deems appropriate under the circumstances.

Respectfully submitted,

J.A.W AQUA BELLA INC.

Petitioner

By: _____

One of Petitioner's Attorneys

VERIFICATION

Under penalties as provided by law pursuant to Section 1-109 of the Illinois Code of Civil Procedure, the undersigned certifies that the statements set forth in the foregoing Petition are true, accurate and correct.

By: _____

James Cazares

Executive J.A.W. Aqua Bella Inc.

Subscribed and sworn to before me

This 8th day of June, 2015.

NOTARY PUBLIC OFFICIAL SEAL STATE OF ILLINOIS
CATHERINE NICHOLLS-BERK
MY COMMISSION EXPIRES
AUGUST 23, 2015

Illinois Department of Revenue

IL-2848 Power of Attorney

Read this information first

Attach a copy of this form to each specific tax return or item of correspondence for which you are requesting power of attorney.
Do not send this form separately.

Step 1: Complete the following taxpayer information

1 J.A.W AQUA BELLA INC dba Euroepan Crystal
Taxpayer's name

2 2112-6518
Taxpayer's identification number(s)

3 519 W Algonquin Rd
Taxpayer's street address

Arlington Heights | IL | 60005
City | State | ZIP

Step 2: Complete the following information

4 The taxpayer named above appoints the following to represent him before the Illinois Department of Revenue.

MANSOOR ANSARI J.D. LL.M.		
Name	Name	Name
ANSARI TAX LAW FIRM		
Name of firm	Name of firm	Name of firm
500 N MICHIGAN STE 300		
Street address	Street address	Street address
CHICAGO IL 60611		
City State ZIP	City State ZIP	City State ZIP
(312) 265-5626	( )	( )
Daytime phone number	Daytime phone number	Daytime phone number
ma@myillinoistaxattorney.com		
E-mail address	E-mail address	E-mail address
SALES/USE 2005-14		
Specific tax type Year or period	Specific tax type Year or period	Specific tax type Year or period

5 The attorneys-in-fact named above shall have, subject to revocation, full power and authority to perform any act that the principals can and may perform, including the authority to receive confidential information.

The attorneys-in-fact named above **do not** have the power to – *Check only the items below you **do not** wish to grant.*

- ____ endorse or collect checks in payment of refunds.
- ____ receive checks in payment of any refund of Illinois taxes, penalties, or interest.
- ____ execute waivers (including offers of waivers) of restrictions on assessment or collection of deficiencies in tax and waivers of notice of disallowance of a claim for credit or refund.
- ____ execute consents extending the statutory period for assessments or collection of taxes.
- ____ delegate authority or substitute another representative.
- ____ file a protest to a proposed assessment.
- ____ execute offers in compromise or settlement of tax liability.
- ____ represent the taxpayer before the department in all proceedings including hearings (requiring representation by an attorney) pertaining to matters specified above.
- X obtain a private letter ruling on behalf of the taxpayer.
- ____ perform other acts (explain) ____

6 This power of attorney revokes all prior powers of attorney on file with the department with respect to the same matters and years or periods covered by this form, except for the following:

Name	Name	Name
Street address	Street address	Street address
City State ZIP	City State ZIP	City State ZIP
( )	( )	( )
Daytime phone number	Daytime phone number	Daytime phone number
Date granted	Date granted	Date granted

Continued on Page 2

7 Copies of notices and other written communications addressed to the taxpayer in proceedings involving the matters listed on the front of this form should be sent to the following:

Name	Name	Name
MANSOOR ANSARI		
Street address	Street address	Street address
500 N MICHIGAN #600		
City State ZIP	City State ZIP	City State ZIP
CHICAGO IL 60611		
Daytime phone number	Daytime phone number	Daytime phone number
(312) 285 5626	( )	( )

Step 3: Taxpayer's signature

If signing as a corporate officer, partner, fiduciary, or individual on behalf of the taxpayer, I certify that I have the authority to execute this power of attorney on behalf of the taxpayer.

Taxpayer's signature	Corporate Officer Title, if applicable	5/7/15 Date
Spouse's signature	Title, if applicable	Date
If corporation or partnership, signature of officer or partner	Title, if applicable	Date

Step 4: Complete the following if the power of attorney is granted to an attorney, a certified public accountant, or an enrolled agent

I declare that I am **not** currently under suspension or disbarment and that I am

- a member in good standing of the bar of the highest court of the jurisdiction indicated below; or
- duly qualified to practice as a certified public accountant in the jurisdiction indicated below; or
- enrolled as an agent pursuant to the requirements of United States Treasury Department Circular Number 230.

ATTORNEY	IL		5.7.15
Designation (attorney, C.P.A., enrolled agent)	Jurisdiction (state(s), *etc.*)	Signature	Date
Designation (attorney, C.P.A., enrolled agent)	Jurisdiction (state(s), *etc.*)	Signature	Date
Designation (attorney, C.P.A., enrolled agent)	Jurisdiction (state(s), *etc.*)	Signature	Date

Step 5: Complete the following if the power of attorney is granted to a person other than an attorney, a certified public accountant, or an enrolled agent

If the power of attorney is granted to a person other than an attorney, a certified public accountant, or an enrolled agent, this document must be witnessed or notarized below. Please check and complete one of the following.

Any person signing as or for the taxpayer

_____ is known to and this document is signed in the presence of the two disinterested witnesses whose signatures appear here.

Signature of witness Date

Signature of witness Date

_____ appeared this day before a notary public and acknowledged this power of attorney as his or her voluntary act and deed.

Signature of notary Date

Notary seal

This form is authorized by the Illinois Tax Act. Disclosure of this information is REQUIRED. Failure to provide information could result in a penalty. This form has been approved by the Forms Management Center IL-492-0058

Notice of Tax Liability

for Form EDA-105-R, ROT Audit Report

EXHIBIT A

STATE OF
Illinois
DEPARTMENT OF REVENUE
tax.illinois.gov

#BWNKMGV
#CNXX XX76 734X 5128#
J A W AQUA BELLA INC
519 W ALGONQUIN RD
ARLINGTON HTS IL 60005-4411

April 21, 2015

Letter ID: CNXXXX76734X5128

Account ID: 2112-6518

We have audited your account for the reporting periods July 01, 2009, through December 31, 2011. As a result we have assessed the amounts shown below.

	Liability	Payments/Credit	Unpaid Balance
Tax	47,882.00	(30,465.61)	17,416.39
Late Payment Penalty Increase	13,432.00	0.00	13,432.00
Late Filing Penalty Increase	9.00	(1.00)	8.00
Interest	4,645.71	0.00	4,645.71
Assessment Total	$65,968.71	($30,466.61)	**$35,502.10**

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 **June 22, 2015**. 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

Taxpayer Statement

STATE O
Illinois
DEPARTMENT OF REVENUE
tax.illinois.gov
1 800 732-886
217 782-333
TDD 1 800 544-530

April 21, 2015

#BWNKMGV
#CNXX X1X5 6X14 6X89#
J A W AQUA BELLA INC
519 W ALGONQUIN RD
ARLINGTON HTS IL 60005-4411

Letter ID: CNXXX1X56X146X89

Account ID: 2112-6518
Total amount due: $35,502.10

This statement lists our most recent information about your unpaid balance, available credits, or returns you have not filed. A payment voucher is included so you may pay the balance due.

Sales/Use Tax & E911 Surcharge You have available credits of $4,665.00 **Account ID: 2112-6518**

Period	Tax	Penalty	Interest	Other	Payments/Credits	Balance
31-Dec-2011	58,359.00	13,440.00	4,645.71	-	(40,942.61)	35,502.10
• $65,967.71 of this amount is subject to protest.						
31-Jan-2015	5,265.00	-	-	-	(5,331.00)	(66.00)
28-Feb-2015	4,519.00	-	-	-	(9,118.00)	(4,599.00)

SOA

P-000057

Retain this portion for your records.
Fold and detach on perforation. Return bottom portion with your payment.

Taxpayer Statement (R-12/08) (136)

Letter ID: CNXXX1X56X146X89
J A W AQUA BELLA INC

Total amount due: $35,502.10

Write the amount you are paying below.

$_____.____

Write your Account ID on your check.

Mail this voucher and your payment to:
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19006
SPRINGFIELD IL 62794-9006

$65,967.71 is subject to protest.
Do not pay any Income Tax liability that you intend to protest.

000 006 013556386725 731 123199 4 0000003550210

J.A.W. Aqua Bella Inc
519 W Algonquin Rd
Arlington Heights, IL 60005

August 12th 2014

EXHIBIT B

Patricia Skiba:

At our meetings with Aileen for this audit period, it was never communicated to either my accountant or myself that difference on her schedule would not be balanced. Only until our last meeting was I informed that credit would not be accepted. Aileen supervisor Janet Baumann had stated that Aileen was being transferred to a different department and that if the audit was not completed by the end of the year that she would issue notice of proposed liability. All documents were submitted prior to the end of the year and no response was received. I have attached my detailed analysis showing that the ST-1 was filed correctly and that the notice of liability is incorrect. I would like to request that all Tax Penalty and Interest be waived as well as credits for over reporting are issued as the audit was incomplete.

Please refer to the following exhibits.

Exhibit 1A – Bank Statement

Exhibit 1B – St-1

Exhibit 2 – Auditors Analysis

Exhibit 3 – Sales Report-showing over reporting

Exhibit 4 – Transaction Detail

Exhibit 5 – P&L

Exhibit 6 – Analysis of Feb 2011

Column 1 – Payments received
Column 2 – Deposits for event before Feb 2011 included in ST-1
Column 3 – Payment received and included in ST-1
Column 4 – Deposit for Future Events not included in ST-1
Column 5 – Bank Deposits, 7513.35 are from January 2011 but exclude 3,500.0 March

There is a nominal Discrepancy of $.02 between the ST-1 and my original report. In turn I had over reported 311.78 and should have a credit.

James Cazares

Richer 847-812-0711

PARKWAY BANK & TRUST COMPANY
7601 N Milwaukee Ave
Niles, IL 60714

1A

Last statement: January 31, 2011
This statement: February 28, 2011
Total days in statement period: 28

##009145
428 MO 77
J A W AQUA BELLA INC
DBA EUROPEAN CRYSTAL
519 W ALGONQUIN RD
ARLINGTON HEIGHTS IL 60005-4411

Page 1
0000262951
(77)

Direct inquiries to:
888 498-9800

Parkway Bank & Trust Company
7601 N Milwaukee Ave
Niles IL 60714

HAVE YOU BEEN TO OUR WEST LOOP BRANCH AT MORGAN AND WASHINGTON? OPENED JUST OVER ONE YEAR AGO, WE'RE EXCITED TO BE PART OF THIS DYNAMIC DOWNTOWN NEIGHBORHOOD. VISIT US AT 39 N. MORGAN.

Checking

Account number	0000262951	Beginning balance	[illegible]
Enclosures	77	Total additions	101,808.61
Average balance	$117,314.55	Total subtractions	[illegible]
		Ending balance	$128,743.68

128,743.6

Difference = 52.60

CHECKS

Number	Date	Amount	Number	Date	Amount
6295	02-08	428.21	13214	02-10	752.18
13165 *	02-09	623.22	13217 *	02-24	623.22
13179 *	02-09	623.22	13218	02-09	476.43
13195 *	02-01	526.40	13219	02-16	160.35
13198 *	02-09	623.22	13221 *	02-14	270.54
13202 *	02-01	38.45	13222	02-14	46.36
13203	02-01	74.90	13223	02-22	324.00
13204	02-09	212.29	13224	02-15	791.02
13205	02-02	752.17	13225	02-14	1,553.73
13206	02-07	413.34	13226	02-14	50.00
13207	02-02	428.21	13227	02-14	1,718.28
13208	02-09	623.22	13228	02-14	560.54
13209	02-01	359.81	13229	02-14	237.36
13210	02-02	476.42	13230	02-16	56.45
13212 *	02-08	573.81	13231	02-14	2,085.45
13213	02-08	359.81	13232	02-16	260.00

PARKWAY BANK & TRUST COMPANY

J A W AQUA BELLA INC
February 28, 2011

Page 2
0000262951

Number	Date	Amount	Number	Date	Amount
13233	02-16	1,688.54	13252	02-22	2,585.41
13234	02-15	1,939.95	13253	02-22	346.24
13235	02-23	113.86	13254	02-23	324.80
13236	02-17	177.25	13255	02-24	60.00
13237	02-18	1,168.51	13256	02-23	365.18
13238	02-15	409.17	13257	02-23	1,460.92
13239	02-16	6,232.88	13258	02-24	308.12
13240	02-15	1,046.28	13259	02-23	476.42
13241	02-18	128.00	13260	02-24	359.82
13242	02-16	203.95	13261	02-23	752.18
13243	02-17	891.00	13263 *	02-28	428.21
13244	02-17	1,387.20	13264	02-24	623.22
13245	02-18	117.00	13265	02-22	573.81
13246	02-22	221.50	13266	02-25	353.95
13247	13306 02-16	476.42	13267	02-25	600.00
13248	13309 02-15	359.82	13273 *	02-28	1,708.18
13249	02-16	752.17	13274	02-28	2,357.15
13250	12283 02-28	428.21	13278 *	02-28	612.13
13251	02-24	623.22			

* Skip in check sequence

DEBITS

Date	Description	Subtractions
02-03	' Preauthorized Debit BPS FDR MONTHLY SETTLEMENT 110131 465654600002689	98.96
02-08	' Preauthorized Debit SPRINT8006396111 ACHBILLPAY 110208	173.39
02-09	' Preauthorized Debit AMERICAN EXPRESS AXP DISCNT 110209 3121519672	19.68
02-09	' Preauthorized Debit IRS USATAXPYMT 110209 270144064544072	813.08
02-10	' Preauthorized Debit IRS USATAXPYMT 110210 270144104088684	946.04
02-15	' Preauthorized Debit CITI CARD ONLINE PAYMENT 110215	4,742.24
02-22	' Preauthorized Debit IRS USATAXPYMT 110222 270145310715016	946.04
02-28	' Preauthorized Debit BPS INCOME/EXP TERM FEE 110226 F6000026895	19.95

1B

Illinois Department of Revenue

ST-1 Sales and Use Tax Return (R-7/04)

REV 03 FORM 002
E S __/__/__
NS ED CA RC ET

IBT no. 8117-6518 Liability period 02/01/11 to 02/28/11 Due by 03/20/11

Form ST-1 is due on or before the 20th day of the month following the end of the reporting period.

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 75,623.43

2 Deductions - **Include tax collected** (Use worksheet on back.) 2 38,449.26

3 Taxable receipts (Subtract Line 2 from Line 1.) 3 36,770.36

Step 3: Tax on Receipts

Sales from locations within Illinois

General merchandise

4a 36,770.36 x .0425 =4b 3,493.18

Food, drugs, and medical appliances

5a _____ x (rate) =5b _____

Sales from locations outside Illinois

General merchandise

6a _____ x .0625 =6b _____

Food, drugs, and medical appliances

7a _____ x .01 =7b _____

Sales at prior rates

Receipts taxed at other rates

8a _____ 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 the due date, multiply Line 9 by 1.75% (.0175). 10 61.13

11 Net tax due on receipts (Subtract Line 10 from Line 9.) 11 3,432.05

Step 5: Tax on Purchases

General merchandise

12a _____ x .0625 =12b _____

Food, drugs, and medical appliances

13a _____ x .01 =13b _____

Purchases at other rates

14a _____ 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 3,432.05

24 Credit memorandum (See instructions.) 24 _____

25 Payment due (Subtract Line 24 from Line 23.) → 25 3,432.05

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 and correct. The information in this return is taken from the records of the business for which it is filed.

Taxpayer 8.437.5590 Phone 03/09/11 Date

Preparer Phone __/__/__ Date

Use this form **only** if a preprinted form is not available.

Owner's name _____

Business name _____

Business address _____

Mailing address _____

Write your check and send your payment to

ILLINOIS DEPARTMENT OF REVENUE
RETAILERS' OCCUPATION TAX
SPRINGFIELD IL 62796-0001

#2

J A W AQUA BELLA INC
2112-6518
Comparison of Bank Deposits to Total Sales per ST-1
AO updated 11/5/2013

1A) 1B)

Audit Period	Bank Deposits	Total Sales PER ST-1, Line 1	Difference	Notes	
Jul-09	46,778.28	[illegible]	(13,217.25)	need proof	
Aug-09	267,458.61	232,587.21	34,871.40	exception	34,871.40
Sep-09	154,402.21	229,147.58	(74,745.37)	need proof	
Oct-09	129,785.42	121,943.83	7,841.59	exception	7,841.59
Nov-09	124,286.77	99,533.68	24,753.09	exception	24,753.09
Dec-09	104,939.87	111,001.66	(6,061.79)	need proof	
2009 Total	827,651.16	854,209.49	(26,558.33)		
Jan-10	42,698.06	34,124.77	8,573.29	exception	8,573.29
Feb-10	91,679.74	72,577.84	19,101.90	exception	19,101.90
Mar-10	98,142.61	76,968.99	21,173.62	exception	21,173.62
Apr-10	189,404.67	179,635.65	9,769.02	exception	9,769.02
May-10	271,800.94	285,855.67	(14,054.73)	need proof	
Jun-10	195,171.65	213,131.90	(17,960.25)	need proof	
Jul-10	118,733.39	122,396.43	(3,663.04)	need proof	
Aug-10	117,305.00	110,765.76	6,539.24	exception	6,539.24
Sep-10	165,138.42	189,433.37	(4,294.95)	need proof	
Oct-10	214,462.03	247,253.48	(32,791.45)	need proof	
Nov-10	56,553.34	70,544.40	(13,991.06)	need proof	
Dec-10	100,458.53	94,049.87	6,408.66	exception	6,408.66
2010 Total	1,681,548.38	1,696,738.13	(15,189.75)		
Jan-11	29,121.94	31,406.55	(2,284.61)	need proof	
Feb-11	101,808.61	75,623.43	26,185.18	exception	26,185.18
Mar-11	82,646.99	60,672.12	21,974.87	exception	21,974.87
Apr-11	151,050.14	124,148.57	26,901.57	exception	26,901.57
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Jun-11	224,925.59	194,034.00	30,891.59	exception	30,891.59
Jul-11	189,951.01	189,273.00	678.01	exception	678.01
Aug-11	229,596.09	128,569.00	101,027.09	exception	101,027.09
Sep-11	124,710.99	185,176.00	(60,465.01)	need proof	
Oct-11	194,339.33	251,114.00	(56,774.67)	need proof	
Nov-11	183,422.61	182,948.00	474.61	exception	474.61
Dec-11	127,836.37	139,282.00	(11,445.63)	need proof	
2011 Total	1,844,961.03	1,704,486.67	140,474.36		
Grand Total	4,354,160.57	4,255,434.29	98,726.28		410,476.09

284,392.18
67,466.08
58,617.83
410,476.09

Tax Code 10-102

E-file: Bankdepositcomparison_AquaBella

#3

3:42 PM
12/11/13
Cash Basis

European Crystal Banquet & Confrence Ctr
~~Sales Tax Liability~~
February 2011

	Total Sales	Non-Taxable Sales	Taxable Sales	Tax Rate	Tax Collected	Sales Tax Payable As of Feb 28, 11
Director of Employment Security						
Director of Employment Security - Other	0.00	0.00	0.00		0.00	0.00
Total Director of Employment Security	0.00	0.00	0.00		0.00	0.00
IDOR						
CTX	0.00	0.00	0.00	9.0%	0.00	0.00
IDOR	500.00	500.00	0.00	10.0%	0.00	-3,883.72
State Sales Tax	33,736.17	200.00	33,536.17	9.0%	3,185.94	5,906.42
IDOR - Other	0.00	0.00	0.00		0.00	0.00
Total IDOR	34,236.17	700.00	33,536.17		3,185.94	2,022.70
Village of Arlington Heights						
Arlington Hts.	34,236.17	700.00	33,536.17	1.25%	419.20	-1,064.17
Village of Arlington Heights - Other	0.00	0.00	0.00		0.00	0.00
Total Village of Arlington Heights	34,236.17	700.00	33,536.17		419.20	-1,064.17
No tax vendor						
TAX EXEMPT	37,470.36	0.00	37,470.36	0.0%	0.00	0.00
Total (no tax vendor)	37,470.36	0.00	37,470.36		0.00	0.00
Multiple taxes from different vendors	-34,236.17	-700.00	-33,536.17		0.00	0.00
TOTAL	71,706.53	700.00	71,006.53		3,605.14	958.53

Q, BOOKS 75,311.65

ST-1 75,623.43

ERROR 311.78

OVERREPORTED.

#4

6:27 AM
08/01/14
Cash Basis

European Crystal Banquet & Confrence Ctr
Transaction Detail By Account
February 2011

Type	Date	Num	Adj	Name	Memo	Cl	Debit	Credit	Original ...	Balance
Banquets										
Invoice	02/05/2011	3382		Wheat Ridg...	Gratuity			3,483.36	3,483.36	3,483.36
Invoice	02/08/2011	2600		Anthony Sh...	Cancelati...			500.00	15,000.00	3,983.36
Invoice	02/08/2011	3386		james quinn	-MULTIP...			926.30	926.30	4,909.66
Invoice	02/09/2011	3387		narfe	order to go			13.54	13.54	4,923.20
Invoice	02/18/2011	3392		Mike Wiley	-MULTIP...			1,670.88	1,670.88	6,594.08
Invoice	02/19/2011	3366		Valarrie Lucia	-MULTIP...			19,558.50	19,558.50	26,152.58
Invoice	02/26/2011	3389		Sarita Ortiz	-MULTIP...			8,266.22	8,266.22	34,418.80
Invoice	02/26/2011	3395		Barbara Ana...	-MULTIP...			1,137.35	1,137.35	35,556.15
Invoice	02/26/2011	3396		Julia Neuma...	-MULTIP...			1,963.38	1,963.38	37,519.53
Invoice	02/28/2011	3405		Ryan Voleck	event ca...			200.00	200.00	37,719.53
Total Banquets							0.00	37,719.53		37,719.53
Confrences										
Invoice	02/05/2011	3382		Wheat Ridg...	-MULTIP...			19,352.00	19,352.00	19,352.00
Invoice	02/05/2011	3385		Vilage of Arli...	-MULTIP...			13,535.00	13,535.00	32,887.00
Invoice	02/10/2011	3388		H.I.C.A.	Room Re...			1,100.00	1,100.00	33,987.00
Total Confrences							0.00	33,987.00		33,987.00
TOTAL							**0.00**	**71,706.53**		**71,706.53**

6:10 AM
08/01/14
Cash Basis

European Crystal Banquet & Confrence Ctr
Profit & Loss
February 2011

#5

	Feb 11	% of Inco...
Ordinary Income/Expense		
Income		
Banquets	37,719.53	52.6%
Confrences	33,987.00	47.4%
Total Income	71,706.53	100.0%
Gross Profit	71,706.53	100.0%
Expense		
advertising	650.00	0.9%
Banquet Supplies	8,287.03	11.6%
Credit Card fees	143.54	0.2%
Fees	429.50	0.6%
Food Supplies	20,983.57	29.3%
Garbage Services	485.37	0.7%
Insurance	2,965.19	4.1%
Janitorial Supplies	113.86	0.2%
Licenses and Permits	100.00	0.1%
Liquor Expense	2,139.67	3.0%
Medical	260.00	0.4%
Payroll Expenses	17,817.70	24.8%
Reconciliation Discrepan...	-28.33	-0.0%
Rental Equipment	353.95	0.5%
Security Services	117.00	0.2%
Telephone	1,501.72	2.1%
Utilities	3,455.77	4.8%
Total Expense	59,775.54	83.4%
Net Ordinary Income	11,930.99	16.6%
Net Income	**11,930.99**	**16.6%**

14115

EUROPEAN CRYSTAL
BANQUET & CONFERENCE CENTER
519 W Algonquin Rd
Arlington Heights, IL 60005
P 00-1-847-437-5559
P 00-1-847-433-5661
www.europeancrystalbanquets.com

PARKWAY BANK & TRUST CO
4800 N. Harlem Ave., Harwood Heights, IL 60706
Member FDIC
70-816-719

1/15/2012

PAY TO THE ORDER OF Village of Arlington Heights $ **1,403 00

One Thousand Four Hundred Three and 00/100********** DOLLARS

Village of Arlington Heights
33 S Arlington Heights Rd
Arlington Heights, IL

MEMO

AUTHORIZED SIGNATURE

Security features. Details on back.

⑈014115⑈ ⑆071908160⑆ ⑈26 295 1⑈

BOFD:74909962 Date:01/20/2012 HostAccount:0000000000262951 Account:262951 Amount:$1,403.00 Serial:14115
HostTranCode:481 TranCode:0 TR:71908160 Sequence:1318977640 DbCr:D Canadian:- Endpoint:0 OnUs:Y

For Deposit Only 5330265967

Check: 14115
Date: 1/19/12 00 Recpt no: 61653
CHECK $1403.00
PAY TO THE ORDER OF
JPMORGAN CHASE BANK, N.A.
CHICAGO, ILLINOIS 60670
071000013
FOR DEPOSIT ONLY
VILLAGE OF ARLINGTON HEIGHTS
GENERAL ACCOUNT
5330265967

14011

EUROPEAN CRYSTAL
BANQUET & CONFERENCE CENTER
519 W Algonquin Rd
Arlington Heights, IL 60005
P 00-1-847-437-5590
F 00-1-847-437-5664
www.europeancrystalbanquets.com

PARKWAY BANK & TRUST CO
4000 N. Harlem Ave., Harwood Heights, IL 60706
Member FDIC
70-816-719

12/19/2011

PAY TO THE ORDER OF Village of Arlington Heights $ **1,547.65

One Thousand Five Hundred Forty-Seven and 65/100********** DOLLARS

Village of Arlington Heights
33 S Arlington Heights Rd
Arlington Heights, IL

MEMO

AUTHORIZED SIGNATURE

Security features Details on back

⑈014011⑈ ⑆071908160⑆ ⑈26 295 1⑈

BOFD:74909962 Date:12/23/2011 HostAccount:0000000000262951 Account:262951 Amount:$1,547.65 Serial:14011
HostTranCode:481 TranCode:0 TR:71908160 Sequence:9883924020 DbCr:D Canadian:- Endpoint:0 OnUs:Y

For Deposit Only 5330265967

Checks: 14011
Date: 12/22/11 Recpt no: 52580
CHECK $1547.65
PAY TO THE ORDER OF
JPMORGAN CHASE BANK, N.A.
CHICAGO, ILLINOIS 60670
071908013
FOR DEPOSIT ONLY
VILLAGE OF ARLINGTON HEIGHTS
GENERAL ACCOUNT
5330265967

14028

EUROPEAN CRYSTAL
BANQUET & CONFERENCE CENTER
519 W Algonquin Rd.
Arlington Heights, IL 60005
P 00-1-847-437-5520
F 00-1-847-437-5564
www.europeancrystalbanquets.com

PARKWAY BANK & TRUST CO
4800 N. Harlem Ave., Harwood Heights, IL 60706
Member FDIC
70-816-719

12/27/2011

PAY TO THE ORDER OF Village of Arlington Heights $ **625 80

Six Hundred Twenty-Five and 80/100********** DOLLARS

Village of Arlington Heights
33 S Arlington Heights Rd
Arlington Heights, IL

AUTHORIZED SIGNATURE

MEMO acc# 57625-103758

Security features. Details on back.

⑈014028⑈ ⑆071908160⑆ ⑈26 295 1⑈

BOFD:74909962 Date:12/30/2011 HostAccount:0000000000262951 Account:262951 Amount:$625.80 Serial:14028
HostTranCode:481 TranCode:0 TR:71908160 Sequence:5000499980 DbCr:D Canadian:- Endpoint:0 OnUs:Y

For Deposit Only 5330265967

14122

EUROPEAN CRYSTAL
BANQUET & CONFERENCE CENTER
319 W Algonquin Rd
Arlington Heights, IL 60005
P 00-1-847-437-3392
F 00-1-847-437-5664
www.europeancrystalbanquets.com

PARKWAY BANK & TRUST CO
4800 N Harlem Ave., Harwood Heights, IL 60706
Member FDIC

70-816-719

1/23/2012

PAY TO THE ORDER OF Village of Arlington Heights $ **360.30

Three Hundred Sixty and 30/100********** DOLLARS

Village of Arlington Heights
33 S Arlington Heights Rd
Arlington Heights, IL

MEMO

AUTHORIZED SIGNATURE

Security features. Details on back.

⑈014122⑈ ⑆071908160⑆ ⑈26 295 6⑈

BOFD:74909962 Date:01/26/2012 HostAccount:0000000000262951 Account:262951 Amount:$360.30 Serial:14122
HostTranCode:481 TranCode:0 TR:71908160 Sequence:5043513410 DbCr:D Canadian:- Endpoint:0 OnUs:Y

For Deposit Only 5339265967

13922

EUROPEAN CRYSTAL
BANQUET & CONFERENCE CENTER
519 W Algonquin Rd
Arlington Heights, IL 60005
P 00-1-847-437-5990
F 00-1-847-437-5464
www.europeancrystalbanquets.com

PARKWAY BANK & TRUST CO
4800 N. Harlem Ave., Harwood Heights, IL 60706
Member FDIC

70-816-719

11/18/2011

PAY TO THE ORDER OF Village of Arlington Heights $ **2,785 27

Two Thousand Seven Hundred Eighty-Five and 27/100********** DOLLARS

Village of Arlington Heights
33 S Arlington Heights Rd
Arlington Heights, IL

MEMO

AUTHORIZED SIGNATURE

Security features. Details on back.

⑈013922⑈ ⑆071908160⑆ ⑈26 295 1⑈

BOFD:74909962 Date:11/29/2011 HostAccount:0000000000262951 Account:262951 Amount:$2,785.27 Serial:13922
HostTranCode:481 TranCode:0 TR:71908160 Sequence:1284836250 DbCr:D Canadian:- Endpoint:0 OnUs:Y

Check: 13922
Date: 11/28/11 01 Recnt no: 45233
CHECK $2785.27
PAY TO THE ORDER OF
JPMORGAN CHASE BANK, N.A.
CHICAGO, ILLINOIS 60670
071000013
FOR DEPOSIT ONLY
VILLAGE OF ARLINGTON HEIGHTS
GENERAL ACCOUNT
533625967

13879

EUROPEAN CRYSTAL
BANQUET & CONFERENCE CENTER
519 W Algonquin Rd.
Arlington Heights, IL 60005
P 001-847-437-3900
F 001-847-437-5664
www.europeancrystalbanquets.com

PARKWAY BANK & TRUST CO
4800 N. Harlem Ave., Harwood Heights, IL 60706
Member FDIC

70-816-719

11/4/2011

PAY TO THE ORDER OF Village of Arlington Heights $ **100 00

One Hundred and 00/100********** DOLLARS

Village of Arlington Heights
33 S Arlington Heights Rd
Arlington Heights, IL

AUTHORIZED SIGNATURE

MEMO Elevator Inspection

Security features. Details on back.

⑈013879⑈ ⑆071908160⑆ ⑈26 295 6⑈

BOFD:74909962 Date:11/10/2011 HostAccount:0000000000262951 Account:262951 Amount:$100.00 Serial:13879
HostTranCode:481 TranCode:0 TR:71908160 Sequence:1261924060 DbCr:D Canadian:- Endpoint:0 OnUs:Y

Check: 13879
Date: 11/08/11 01 Recnt no: 41492
CHECK $100.00
PAY TO THE ORDER OF
JPMORGAN CHASE BANK, N.A.
CHICAGO, ILLINOIS 60670
071000013
FOR DEPOSIT ONLY
VILLAGE OF ARLINGTON HEIGHTS
GENERAL ACCOUNT
5328659967

J A W AQUA BELLA INC
2112-6518
Comparison of Deposits to Total Sales per ST-1
AO updated 7/15/2013

Audit Period	Deposits	Total Sales PER ST-1, Line 1	Difference	Notes	
Jul-09	46,778.28	59,995.53	(13,217.25)	need proof	
Aug-09	267,458.61	232,587.21	34,871.40	exception	34,871.40
Sep-09	154,402.21	229,147.58	(74,745.37)	need proof	
Oct-09	129,785.42	121,943.83	7,841.59	exception	7,841.59
Nov-09	124,286.77	99,533.68	24,753.09	exception	24,753.09
Dec-09	104,939.87	111,001.66	(6,061.79)	need proof	
2009 Total	**827,651.16**	854,209.49	(26,558.33)		
Jan-10	42,698.06	34,124.77	8,573.29	exception	8,573.29
Feb-10	91,679.74	72,577.84	19,101.90	exception	19,101.90
Mar-10	98,142.61	76,968.99	21,173.62	exception	21,173.62
Apr-10	189,404.67	179,635.65	9,769.02	exception	9,769.02
May-10	271,800.94	285,855.67	(14,054.73)	need proof	
Jun-10	195,171.65	213,131.90	(17,960.25)	need proof	
Jul-10	118,733.39	122,396.43	(3,663.04)	need proof	
Aug-10	117,305.00	110,765.76	6,539.24	exception	6,539.24
Sep-10	185,138.42	189,433.37	(4,294.95)	need proof	
Oct-10	214,462.03	247,253.48	(32,791.45)	need proof	
Nov-10	56,553.34	70,544.40	(13,991.06)	need proof	
Dec-10	100,458.53	94,049.87	6,408.66	exception	6,408.66
2010 Total	**1,681,548.38**	1,696,738.13	(15,189.75)		
Jan-11	29,121.94	31,406.55	(2,284.61)	need proof	
Feb-11	101,808.61	75,623.43	26,185.18	exception	26,185.18
Mar-11	82,646.99	60,672.12	21,974.87	exception	21,974.87
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Grand Total	**4,354,160.57**	**4,255,434.29**	**98,726.28**		410,476.09

STT 10-102

Illinois Department of Revenue
Informal Conference Board
Louise Calvert, Administrator
100 West Randolph Street, 7-286
Chicago, Illinois 60601
Phone: 312 814-1722
Fax: 312-814-3109

RE:	**Docket #:**	**14-0033**
	Taxpayer:	**JAW Aqua Bella Inc.**
	Audit ID #:	**A1574070272**
	IBT #:	**2112-6518**

ACTION DECISION

The Informal Conference Board has reviewed the Illinois Department of Revenue Audit Bureau's proposed adjustments in this matter and, based upon information supplied during the review process, finds that some of the proposed adjustments should be revised. No change is to be made to the remaining proposed adjustments.

The Audit Bureau is instructed to make the following adjustments:

- The disallowed deductions for the Arlington Heights Food and Beverage tax of $1,548 and $1,403 are to be allowed.
- Over and under reported differences based on bank deposit information are to be netted.

The Taxpayer has not provided any basis for abatement of penalty under the reasonable cause regulations.

The Audit Bureau is instructed to conclude and process the audit in a manner consistent with this decision.

Taxpayer Request for Audit Adjustments Granted in Part.

DEBRA M. BOGGESS
MEMBER, INFORMAL CONFERENCE BOARD

LAURIE RIVA
MEMBER, INFORMAL CONFERENCE BOARD

BRIAN WOLFBERG
MEMBER, INFORMAL CONFERENCE BOARD

11-12-14
DATE ENTERED