

ILLINOIS INDEPENDENT TAX TRIBUNAL

MEHBOOB A. KHAN and FARAH KHAN,

Petitioners,

v.

ILLINOIS DEPARTMENT OF REVENUE,

Defendant.

)
)
) Docket No.
) 15 T 134
)
)
) RECEIVED
) JUL 02 2015
) BY: _____

PETITION

The Petitioners, MEHBOOB A. KHAN and FARAH KHAN ("Petitioners"), by and through his and her attorneys, Hasan Law Offices, Ltd., petitions for redetermination of the liability set forth by the Illinois Department of Revenue ("Department") in the Notices of Deficiencies dated April 30, 2015, and alleges as follows:

FACTS

1. Petitioners are individuals who reside on 1249 Hobson Oaks Drive, Naperville, IL 60540-8148.
2. Petitioners are represented by Hasan Law Offices Ltd., and its principal attorney Imtiaz Hasan, located at 1315 W. 22nd St. Suite 102. Oak Brook, Illinois 60523 and can be reached at (630) 568-5697 or imtiaz@hasanlawoffices.com.
3. The Department is an agency of the Executive Department of the State Government and is tasked with the enforcement of Illinois tax laws, as per 20 ILCS 5/5-15.

NOTICES

4. On April 30, 2015, Petitioners received separate Notices of Deficiencies for individual tax liability ("Notices") arising from disputed tax deficiencies of Aurora Ave. Food

Mart, Inc. ("Corporation") for each year, beginning in 2002 and ending in 2010 ("Tax Periods"). The deficiencies per year are as follows: 2002, \$3,287.22; 2003, \$6,187.76; 2004, \$199,458.78; 2005, \$184,306.82; 2006, \$252,899.06; 2007, \$34,423.26; 2008, \$160,687.50; 2009, \$118,877.59; and 2010, \$892.80. The Notices are attached as exhibits A through I.

JURISDICTION

5. Petitioners brings this action pursuant to the Illinois Independent Tax Tribunal Act ("Tribunal Act"), 35 ILCS 101011-1 to 35 ILCS 1010/1-100.

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

BACKGROUND

7. Petitioner, MEHBOOB A. KHAN, was a corporate officer of Corporation. Farah Khan is Petitioner's spouse.

8. The Department audited Corporation on or about 2012 for Tax Periods 2004 through 2009 and issued notices of personal liability against petitioner.

9. On June 12, 2015 Corporation filed a petition with the Tax Tribunal disputing Notices of Deficiencies assessed against it.

10. The Department's Notices of Deficiencies and the underlying income tax liability assessed against Petitioners are based on the Department's disallowance of Corporation's substantiation for cost of goods sold and other expenses.

COUNT I

THE DEPARTMENT'S ERRONEOUS ASSESSMENT OF CORPORATION'S NET TAXABLE INCOME CAUSED AN OVERSTATEMENT OF PETITIONER'S PERSONAL INCOME TAX LIABILITY

11. The Department denied Corporation's books and records for the Tax Periods 2004 through 2009 despite Corporation's production of books and records as required by 35 ILCS 120/07 and 86 Ill. Admin. Code 130.805.

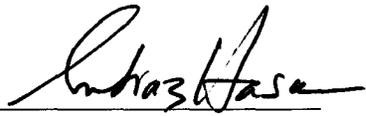
12. The disallowance of Corporation's production of books and records unreasonably inflated Corporation's net taxable income.

13. The Department issued Notices of Deficiencies against Petitioner based on Notices of Personal Liability arising from the Department's overstatement of Corporation's net taxable income.

WHEREFORE, Petitioners pray that the Tribunal enters an order that:

- a) finds and declares that the Petitioners are not liable for the income tax, penalties, and interest because of the Department's overstatement of corporate net income; and
- b) enjoins the Department from taking any enforcement action to collect the amount due on the Notice against the Petitioners; and
- c) re-determines the Petitioners' liability set forth by the Illinois Department of Revenue in the Notices of Deficiencies dated April 30, 2015;
- d) renders such further relief that the Tribunal deems just and appropriate.

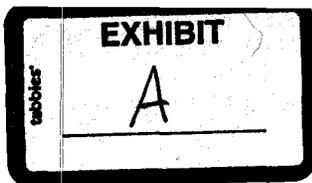
Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Imtiaz Hasan", written over a horizontal line.

Counsel for Petitioner

Imtiaz Hasan
Hasan Law Offices, Ltd.
1315 W. 22nd St. Suite 102
Oak Brook, IL 60523
O:(312) 568-5697
F: (847) 273-0550

Notice of Deficiency
for Form IL-1040, Individual Income Tax Return



April 30, 2015



Letter ID: CNXXX14X76779685

#BWNKMGV
#CNXX X14X 7677 9685#
MEHBOOB A. and FARAH KHAN
1249 HOBSON OAKS DR
NAPERVILLE IL 60540-8148

Taxpayer ID: XXX-XX-5268
Audit ID: A560484352
Reporting period: December 2002
Total Deficiency: \$3,287.22
Balance due: \$3,287.22



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 are 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,

Handwritten signature of Constance Beard in cursive.

Constance Beard
Director

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

(217) 785-4472

Statement

Date: April 30, 2015
Name: MEHBOOB KHAN
Taxpayer ID: XXX-XX-5288
Letter ID: CNXXX14X76779885

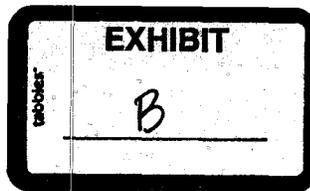
Computation of deficiency

Reporting Period: 31-Déc-2002

Adjusted gross income	\$56,877.00
Base income	\$56,877.00
Minus exemptions	-\$6,000.00
Net income	\$50,877.00
Tax amount	\$1,526.00
Total Tax (After Recapture of Investment Credits)	\$1,526.00
Tax Due	\$1,526.00
Plus late-filing penalty	\$61.04
Plus interest on tax through April 30, 2015	\$1,700.18
Total deficiency	* \$3,287.22
If you intend to pay under protest, you must pay this total deficiency amount.	
Deficiency (this notice)	\$3,287.22
Balance due	* \$3,287.22

Notice of Deficiency

for Form IL-1040, Individual Income Tax Return



April 30, 2015



Letter ID: CNXXX195669224X7

#BWNKMGV
#CNXX X195 6692 24X7#
MEHBOOB A. and FARAH KHAN
1249 HOBSON OAKS DR
NAPERVILLE IL 60540-8148

Taxpayer ID: XXX-XX-5268
Audit ID: A580484352
Reporting period: December 2003
Total Deficiency: \$6,187.76
Balance due: \$6,187.76



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 are 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,

A handwritten signature in dark ink that reads "Constance Beard". The signature is written in a cursive style.

Constance Beard
Director

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

(217) 785-4472

Statement

Date: April 30, 2015
Name: MEHBOOB KHAN
Taxpayer ID: XXX-XX-5268
Letter ID: CNXXX195669224X7

estimated tax payments or pay the required amount of estimated tax payment by the payment due date. This penalty is based on the amount shown due on your return, minus any timely payments and timely credits. This penalty is figured at increasing rates based on the number of days your payment is late. The penalty rates are

- 2 percent of any amount that is paid no later than 30 days after the due date;
- 10 percent of any amount that is paid later than 30 days but no later than 90 days after the due date;
- 15 percent of any amount that is paid later than 90 days but no later than 180 days after the due date;
- 20 percent of any amount that is paid later than 180 days after the due date.

[35 ILCS 735/3-3(b-15)(1)] (for liabilities due on or after 1/1/2004 and on or before 12/31/2004)

Interest

Interest on tax in the amount of \$2,501.36 has been computed through April 30, 2015.

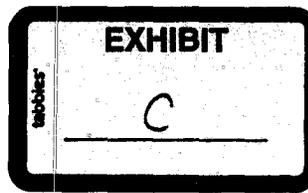
Bankruptcy Information

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, within specified time periods, to file for 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-1040, Individual Income Tax Return



April 30, 2015

#BWNKMGV
#CNXX XX87 X8X7 X561#
MEHBOOB A. and FARAH KHAN
1249 HOBSON OAKS DR
NAPERVILLE IL 60540-8148



Letter ID: CNXXXXX87X8X7X561

Taxpayer ID: XXX-XX-5268
Audit ID: A560484352
Reporting period: December 2004
Total Deficiency: \$199,458.78
Balance due: \$199,458.78



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 are 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,

Handwritten signature of Constance Beard in cursive.

Constance Beard
Director

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

(217) 785-4472

Statement

Date: April 30, 2015
Name: MEHBOOB KHAN
Taxpayer ID: XXX-XX-5268
Letter ID: CNXXXX87X8X7X561

[35 ILCS 735/3-3(b-20)(1)] (for liabilities due on or after 1/1/2005)

Interest

Interest on tax in the amount of \$77,595.18 has been computed through April 30, 2015.

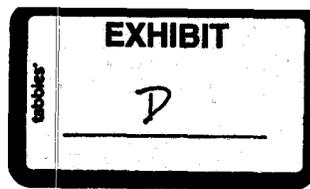
Bankruptcy Information

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- If you have overpaid your taxes, you have the right, within specified time periods, to file for 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-1040, Individual Income Tax Return



April 30, 2015



Letter ID: CNXXX18224745124

#BWNKMGV
#CNXX X182 2474 5124#
MEHBOOB A. and FARAH KHAN
1249 HOBSON OAKS DR
NAPERVILLE IL 60540-8148

Taxpayer ID: XXX-XX-5268
Audit ID: A560484352
Reporting period: December 2005
Total Deficiency: \$184,306.82
Balance due: \$184,306.82



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 are 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,

Handwritten signature of Constance Beard in cursive.

Constance Beard
Director

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

(217) 785-4472

Statement

Date: April 30, 2015
Name: MEHBOOB KHAN
Taxpayer ID: XXX-XX-5268
Letter ID: CNXXX18224745124

- 10 percent of any amount that is paid later than 30 days but no later than 90 days after the due date.
[35 ILCS 735/3-3(b-20)(1)] (for liabilities due on or after 1/1/2005)

Interest

Interest on tax in the amount of \$71,064.06 has been computed through April 30, 2015.

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, within specified time periods, to file for 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.

#BWNKMGV
#CNXX X181 4241 5529#
MEHBOOB A. and FARAH KHAN
1249 HOBSON OAKS DR
NAPERVILLE IL 60540-8148



Notice of Deficiency
for Form IL-1040, Individual Income Tax Return



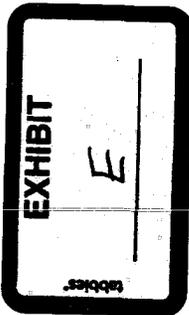
April 30, 2015



Letter ID: CNXXXX217X496167

#BWNKMGV
#CNXX XX21 7X49 6167#
MEHBOOB A. and FARAH KHAN
1249 HOBSON OAKS DR
NAPERVILLE IL 60540-8148

Taxpayer ID: XXX-XX-5268
Audit ID: A560484352
Reporting period: December 2006
Total Deficiency: \$252,899.06
Balance due: \$252,899.06



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.

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- **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 DR 274, Notice of Payment Under Protest (available on our website at tax.illinois.gov).

Statement

Date: April 30, 2015
Name: MEHBOOB KHAN
Taxpayer ID: XXX-XX-5268
Letter ID: CNXXXX217X496167

- 10 percent of any amount that is paid later than 30 days but no later than 90 days after the due date.
[35 ILCS 735/3-3(b-20)(1)] (for liabilities due on or after 1/1/2005)

Interest

Interest on tax in the amount of \$82,477.86 has been computed through April 30, 2015.

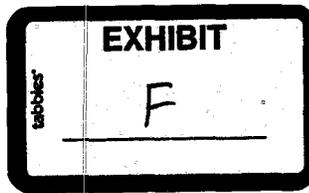
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Notice of Deficiency
for Form IL-1040, Individual Income Tax Return



#BWNKMGV
#CNXX XX14 8141 3281#
MEHBOOB A. and FARAH KHAN
1249 HOBSON OAKS DR
NAPERVILLE IL 60540-8148

April 30, 2015



Letter ID: CNXXXX1481413281

Taxpayer ID: XXX-XX-5268
Audit ID: A560484352
Reporting period: December 2007
Total Deficiency: \$34,423.26
Balance due: \$34,423.26



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.

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

Sincerely,

Handwritten signature of Constance Beard in cursive.

Constance Beard
Director

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

(217) 785-4472

Statement

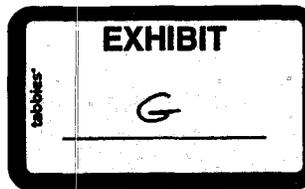
Date: April 30, 2015
Name: MEHBOOB KHAN
Taxpayer ID: XXX-XX-5268
Letter ID: CNXXXX1481413281

- 10 percent of any amount that is paid later than 30 days but no later than 90 days after the due date.
[35 ILCS 735/3-3(b-20)(1)] (for liabilities due on or after 1/1/2005)

Interest

Interest on tax in the amount of \$9,278.04 has been computed through April 30, 2015.

Notice of Deficiency
for Form IL-1040, Individual Income Tax Return



April 30, 2015



Letter ID: CNXXXXX3269X1448

#BWNKMGV
#CNXX XXX3 269X 1448#
MEHBOOB A. and FARAH KHAN
1249 HOBSON OAKS DR
NAPERVILLE IL 60540-8148

Taxpayer ID: XXX-XX-5268
Audit ID: A560484352
Reporting period: December 2008
Total Deficiency: \$160,687.50
Balance due: \$160,687.50



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 are 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,

Handwritten signature of Constance Beard in black ink.

Constance Beard
Director

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

(217) 785-4472

Statement

Date: April 30, 2015
Name: MEHBOOB KHAN
Taxpayer ID: XXX-XX-5268
Letter ID: CNXXXXX3269X1448

- 10 percent of any amount that is paid later than 30 days but no later than 90 days after the due date.
[35 ILCS 735/3-3(b-20)(1)] (for liabilities due on or after 1/1/2005)

Interest

Interest on tax in the amount of \$32,917.50 has been computed through April 30, 2015.

Notice of Deficiency
for Form IL-1040, Individual Income Tax Return



#BWNKMGV
#CNXX XXX4 9277 4569#
MEHBOOB A. and FARAH KHAN
1249 HOBSON OAKS DR
NAPERVILLE IL 60540-8148

April 30, 2015



Letter ID: CNXXXXX492774569

Taxpayer ID: XXX-XX-5268
Audit ID: A560484352
Reporting period: December 2009
Total Deficiency: \$118,877.59
Balance due: \$118,877.59



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 are 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,

Handwritten signature of Constance Beard in cursive.

Constance Beard
Director

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

(217) 785-4472

Statement

Date: April 30, 2015
Name: MEHBOOB KHAN
Taxpayer ID: XXX-XX-5268
Letter ID: CNXXXXX492774569

Interest

Interest on tax in the amount of \$12,726.93 has been computed through April 30, 2015.

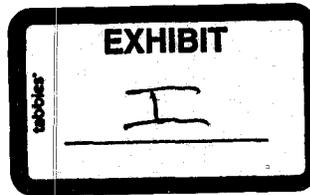
Bankruptcy Information

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, within specified time periods, to file for 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-1040, Individual Income Tax Return



April 30, 2015



Letter ID: CNXXX2X744X89765

#BWNKMGV
#CNXX X2X7 44X8 9765#
MEHBOOB A. and FARAH KHAN
1249 HOBSON OAKS DR
NAPERVILLE IL 60540-8148

Taxpayer ID: XXX-XX-5268
Audit ID: A560484352
Reporting period: December 2010
Total Deficiency: \$892.80
Balance due: \$459.80



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 are 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,

A handwritten signature in black ink that reads "Constance Beard".

Constance Beard
Director

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

(217) 785-4472

Statement

Date: April 30, 2015
Name: MEHBOOB KHAN
Taxpayer ID: XXX-XX-5268
Letter ID: CNXXX2X744X89765

Interest

Interest on tax in the amount of \$59.99 has been computed through April 30, 2015.

Bankruptcy Information

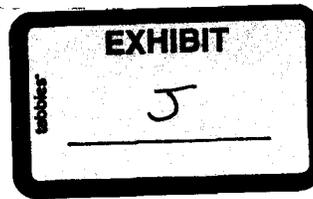
If you are currently under the protection of the Federal Bankruptcy Court, contact us and provide the bankruptcy number and the bankruptcy court. The bankruptcy automatic stay does not change the fact that you are required to file tax returns.

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, within specified time periods, to file for 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.



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 <u>Mehboob Khan</u> Taxpayer's name	3 <u>1249 Hobson Oaks Drive</u> Taxpayer's street address
2 <u>325-82-5268</u> Taxpayer's identification number(s)	<u>Naperville</u> <u>IL</u> <u>60540</u> 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.

<u>Imtiaz Hasan, Esq., C.P.A.</u> Name	<u>Hasan Law Offices, Ltd.</u> Name of firm	<u>1315 W. 22nd St. Suite 102</u> Street address	<u>Oak Brook</u> <u>IL</u> <u>60523</u> City State ZIP	<u>(630) 441-4131</u> Daytime phone number	<u>imtiaz@taxpatentlaw.com</u> E-mail address	<u>1040, NPL</u> <u>2002-2015</u> Specific tax type Year or period
<u>Name</u>	<u>Name of firm</u>	<u>Street address</u>	<u>City</u> <u>State</u> <u>ZIP</u>	<u>()</u> Daytime phone number	<u>E-mail address</u>	<u>Specific tax type</u> <u>Year or period</u>

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.
- 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:

<u>Name</u>	<u>Name</u>	<u>Name</u>
<u>Street address</u>	<u>Street address</u>	<u>Street address</u>
<u>City</u> <u>State</u> <u>ZIP</u>	<u>City</u> <u>State</u> <u>ZIP</u>	<u>City</u> <u>State</u> <u>ZIP</u>
<u>()</u>	<u>()</u>	<u>()</u>
<u>Daytime phone number</u>	<u>Daytime phone number</u>	<u>Daytime phone number</u>
<u>Date granted</u>	<u>Date granted</u>	<u>Date granted</u>



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
Street address	Street address	Street address
City State ZIP	City State ZIP	City State ZIP
() Daytime phone number	() Daytime phone number	() Daytime phone number

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.

<i>[Signature]</i> Taxpayer's signature		2-10-15 Date
<i>[Signature]</i> Spouse's signature		2/10/15 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-CPA	Illinois	<i>[Signature]</i>	2/11/15
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

