

ILLINOIS INDEPENDENT TAX TRIBUNAL

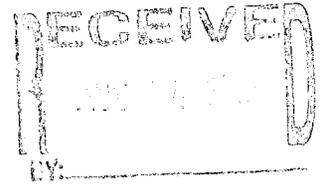
AWWAD N. TADROS &
HANAN TADROS

Petitioner(s),

v.

ILLINOIS DEPARTMENT OF
REVENUE.

Respondent,



15 TT169

PETITION

Petitioner(s), AWWAD N. TADROS & HANAN TADROS, by and through its attorneys Akram Zanayed and Associates, who are duly authorized to represent Petitioner in this regard pursuant to the Power of Attorney attached hereto as Exhibit "A", complains of Respondent, Illinois Department of Revenue, as follows:

PARTIES

1. Petitioner(s), AWWAD N. TADROS & HANAN TADROS ("Petitioner(s)"), are individual business owner(s).
2. Petitioner's principal place of residence is located at 15230 Pine Drive, Oak Forest, IL 60452-1550
3. Petitioner's telephone number is 708-296-1766
4. Petitioner's social security number is [REDACTED]
5. Respondent, Illinois Department of Revenue (the "Department"), is an agency of the State of Illinois responsible for administering and enforcing the revenue laws of the state of Illinois.

JURISDICTION

6. Petitioner(s) brings action pursuant to the Illinois Independent Tax Tribunal Act ("Tribunal Act"), 35 ILCS 10101-1 to 35 ILCS 10101-100.

7. ON or about July 7, 2015, the Department issued a Notice of Tax Liability to Petitioner(s) asserting additional tax due in the amount of \$24,227.69 for the period of January 1, 2010 through December 31, 2011. (A copy of the December 2010 & December 2011 notice is attached hereto and incorporated herein as Exhibit "B").

8. This tribunal has jurisdiction pursuant to Sections 1-45 and 1-50 of the Tribunal Act over the Department's determinations as reflected on the July 7, 2015 notice, where the amount at issue exceeds \$15,000.00, exclusive of penalties and interest and because Petitioner(s) timely filed this petition within 60 days of the July 7, 2015 notice. See 35 ILCS 1010/1-45 and 35 ILCS 1010/1-50.

BACKGROUND

9. Petitioner(s) operates a convenient store.

10. Petitioner(s) timely filed all tax returns and paid all amounts due on a regular and timely basis.

PROCEDURAL HISTORY

11. At some point before July 7, 2015 the Department initiated a sales tax audit of the returns filed by the Petitioner(s) for the period of January 1, 2010 through December 31, 2011 (the "Audit Period").

12. After completing the sales tax audit the department determined that the sales reported were correct and therefore issued a no liability finding.

13. The taxpayer provided books and records regarding his purchases but did not have all the cash purchases made from miscellaneous vendors.

14. However the taxpayer did report the income for which the sales took place based upon the purchases obtained from these individual vendors.

15. The department issued a income tax assessment based on the taxpayers inability to provide actual proof of purchases of goods.

16. Taxpayer provided some proof that the goods were purchased from various vendors as well as providing proof of the typical profit margin of a convenience store.

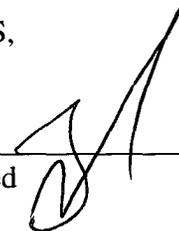
17. The department disregarded this proof and issued a assessment based upon its own calculations.

WHEREFORE, Petitioner(s) AWWAD N. TAROS & HANAN TADROS, respectfully requests that the Tax Tribunal find and order that any tax, interest and penalties assessed by the Department be abated in full and for such other and further relief as the Tax Tribunal deems appropriate in this matter.

AWWAD N. TADROS,
Petitioner,

By:  
Akram Zanayed

HANAN TADROS,
Petitioner,

By:  
Akram Zanayed

Akram Zanayed
Akram Zanayed & Associates
8500 S. Harlem Avenue, Ste. G
Bridgeview, IL 60455
708-237-9000
Zanayedlaw@gmail.com
Attorney No. 14635

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



July 7, 2015



Letter ID: CNXXX2X16336X168

_____ #BWNKMGV
_____ #CNXX X2X1 6336 X168#
_____ AWWAD N. and HANAN TADROS
_____ 15230 PINE DR
_____ OAK FOREST IL 60452-1550

Taxpayer ID: XXX-XX-5439
Audit ID: A1463275520
Reporting period: December 2010
Total Deficiency: \$9,099.45
Balance due: \$9,099.45

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

If you agree to this deficiency, pay the total balance due as soon as possible to minimize penalty and interest assessed. Make your check payable to the "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 the date 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 and administrative hearing. 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. 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 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.

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

Sincerely,

Constance Beard
Director

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

(217) 558-4960



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



July 7, 2015



Letter ID: CNXXXX1364958881

#BWNKMGV
#CNXX XX13 6495 8881#
AWWAD N. and HANAN TADROS
15230 PINE DR
OAK FOREST IL 60452-1550

Taxpayer ID: XXX-XX-5439
Audit ID: A1463275520
Reporting period: December 2011
Total Deficiency: \$24,227.69
Balance due: \$24,227.69

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 the "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.

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- **In all other cases**, file a protest with us, the Illinois Department of Revenue, within **60 days** of the date 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 and administrative hearing. 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. 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 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.

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

Sincerely,

Constance Beard
Director

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

(217) 558-4960

Explanation of Audit Adjustments

Income Tax



July 7, 2015



Letter ID: CNXXX2X918259365

#BWNKMGV
#CNXX X2X9 1825 9365#
AWWAD N. and HANAN TADROS
15230 PINE DR
OAK FOREST IL 60452-1550

Taxpayer ID: XXX-XX-5439
Account ID: P10594420
Audit ID: A1463275520
Reporting period: December 2010

Explanation of adjustments for tax period ending 12/31/2010

We changed your adjusted gross income to reflect the results of an Illinois Sales Tax audit.
[35 ILCS 5/203(a)]

Income change

\$201,987.00

Tax impact

\$6,060.00

We determined that you omitted income in excess of 25 percent of the base income reported on your Illinois Income Tax return.
[35 ILCS 5/905(b)]

\$0.00

\$0.00

Interest on tax has been computed as allowed by Illinois law.
[35ILCS 735/3-2]

We are imposing a penalty because you did not pay the amount required to be shown due on your return by the due date for payment. Once an audit has been initiated, the late payment penalty is assessed at 15 percent 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, Waiver of Restrictions, will result in this penalty increasing to 20 percent.
[35 ILCS 735/3-3(b-20)(2)]

We are imposing a negligence penalty, which is 20 percent of the deficiency attributable to the negligent act.
[35 ILCS 735/3-5(a)]

Statement

Date: July 7, 2015
Name: AWWAD TADROS
Taxpayer ID: XXX-XX-5439
Letter ID: CNXXX2X16336X168

The attached EDA-27, Explanation of Adjustments, details your audit adjustments.

Computation of deficiency

Reporting period: 31-Dec-2010

Adjusted gross income	\$299,217.00
Base income	\$299,217.00
Minus exemptions	-\$12,000.00
Net income	\$287,217.00
Tax amount	\$8,617.00
Total Tax (After Recapture of Investment Credits)	\$8,617.00
Credits	
IL property tax credit	-\$201.00
Tax Due	\$7,187.00
Minus tax previously assessed	-\$2,356.00
UPIA-5 late-payment penalty (Audit)	\$1,212.00
Plus negligence penalty	\$1,212.00
Plus interest on tax through July 7, 2015	\$615.45

Total deficiency * \$9,099.45

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

Computation of balance due

Reporting period: 31-Dec-2010

Deficiency (this notice)	\$9,099.45
Plus previously assessed tax	\$2,356.00
Minus IL income tax withheld	-\$1,229.00
Minus payments	-\$1,127.00
Balance due	* \$9,099.45

Statement

Date: July 7, 2015
Name: AWWAD TADROS
Taxpayer ID: XXX-XX-5439
Letter ID: CNXXXX1364958881

The attached EDA-27, Explanation of Adjustments, details your audit adjustments.

Computation of deficiency

Reporting period: 31-Dec-2011

Adjusted gross income	\$440,233.00
Minus subtractions	
Other income subtractions	-\$426.00
Base income	\$439,807.00
Minus exemptions	-\$16,000.00
Net income	\$423,807.00
Tax amount	\$21,190.00
Total Tax (After Recapture of Investment Credits)	\$21,190.00
Credits	
IL property tax credit	-\$220.00
Tax Due	\$20,970.00
Minus tax previously assessed	-\$4,451.00
UPIA-5 late-payment penalty (Audit)	\$3,303.80
Plus negligence penalty	\$3,303.80
Plus interest on tax through July 7, 2015	\$1,101.09
Total deficiency	* \$24,227.69

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

Computation of balance due

Reporting period: 31-Dec-2011

Deficiency (this notice)	\$24,227.69
Plus previously assessed tax	\$4,451.00
Minus IL income tax withheld	-\$1,597.00
Minus payments	-\$2,854.00
Balance due	* \$24,227.69

