

**ILLINOIS INDEPENDENT TAX TRIBUNAL  
CHICAGO, ILLINOIS**

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<b>AWWAD N. TADROS &amp; HANAN TADROS</b>	)	
<i>Petitioner</i>	)	
	)	
	)	<b>15-TT-169</b>
	)	<b>Judge Brian F. Barov</b>
<b>STATE OF ILLINOIS</b>	)	
<b>DEPARTMENT OF REVENUE</b>	)	
<i>Respondent</i>	)	

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**ANSWER**

NOW COMES THE Department of Revenue of the State of Illinois (“Department”) through its attorney, Lisa Madigan, Attorney General of and for the State of Illinois, and for its answer to Taxpayer’s Petition respectfully pleads as follows:

**PARTIES**

1. Petitioner(s), AWWAD N. TADROS & HANAN TADROS (“Petitioner(s)”), are individual business owner(s).

**ANSWER:** The information contained in Paragraph 1 is required by Illinois Independent Tax Tribunal Regulations (“Rule”) 310(a)(1)(A) (86 Ill. Admin. Code § 5000.310) and is not a material allegation of fact, and therefore does not require an answer pursuant to Rule 310(b)(2). Department admits the factual allegation contained in paragraph 1.

2. Petitioner’s principal place of residence is located at 15230 Pine Drive, Oak Forest, IL 60452-1550

**ANSWER:** The information contained in Paragraph 2 is required by Illinois Independent Tax Tribunal Regulations (“Rule”) 310(a)(1)(A) (86 Ill. Admin. Code § 5000.310) and is not a material allegation of fact, and therefore does not require an answer pursuant to Rule 310(b)(2). Department admits the factual allegation contained in paragraph 2.

3. Petitioner's telephone number is 708-296-1799

**ANSWER:** The information contained in Paragraph 3 is required by Illinois Independent Tax Tribunal Regulations ("Rule") 310(a)(1)(A) (86 Ill. Admin. Code § 5000.310) and is not a material allegation of fact, and therefore does not require an answer pursuant to Rule 310(b)(2). Department admits the factual allegation contained in paragraph 3.

4. Petitioner's social security number is xxx-xx-xxxx

**ANSWER:** The information contained in Paragraph 4 is required by Illinois Independent Tax Tribunal Regulations ("Rule") 310(a)(1)(C) (86 Ill. Admin. Code § 5000.310) and is not a material allegation of fact, and therefore does not require an answer pursuant to Rule 310(b)(2). Department admits the factual allegation contained in paragraph 4.

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.

**ANSWER:** Department admits the factual allegations contained in Paragraph 5.

### **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.

**ANSWER:** Paragraph 6 contains a legal conclusion, not a material allegation of fact, and therefore does not require an answer pursuant to Rule 310(b)(2). Department admits any factual allegations contained in Paragraph 6.

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").

**ANSWER:** Department admits the factual allegations contained in Paragraph 7.

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, 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 10101/1-45 and 35 ILCS 10101/1-50.

**ANSWER:** Department admits the factual allegations contained in Paragraph 8.

### **BACKGROUND**

9. Petitioner(s) operates a convenient store.

**ANSWER:** Department admits the factual allegations contained in Paragraph 9.

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

**ANSWER:** Department admits the factual allegations contained in Paragraph 10.

### **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").

**ANSWER:** Department admits the factual allegations contained in Paragraph 11.

12. After completing the sales tax audit the department determined that the sales reported were correct and therefore issued a not liability finding.

**ANSWER:** The information contained in Paragraph 12 is not a material allegation of fact, and therefore does not require an answer pursuant to Rule 310(b)(2)(A).

Respondent denies the factual allegation contained in paragraph 12. Any reconstruction of income involving the underlying corporation (Hazel Crest Food & Liquor Inc.) must be resolved in litigation connected to the Notice of Deficiency issued to the underlying corporation and the instant case will be determined based upon the final outcome of that other litigation.

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

**ANSWER:** The information contained in Paragraph 13 is not a material allegation of fact, and therefore does not require an answer pursuant to Rule 310(b)(2)(A).

Respondent denies the factual allegation contained in paragraph 13. Any reconstruction of income involving the underlying corporation (Hazel Crest Food & Liquor Inc.) must be resolved in litigation connected to the Notice of Deficiency issued to the underlying corporation and the instant case will be determined based upon the final outcome of that other litigation.

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

**ANSWER:** The information contained in Paragraph 14 is not a material allegation of fact, and therefore does not require an answer pursuant to Rule 310(b)(2)(A).

Respondent denies the factual allegation contained in paragraph 12. Any reconstruction of income involving the underlying corporation (Hazel Crest Food & Liquor Inc.) must be resolved in litigation connected to the Notice of Deficiency issued to the underlying corporation and the instant case will be determined based upon the final outcome of that other litigation.

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

**ANSWER:** The information contained in Paragraph 15 is not a material allegation of fact, and therefore does not require an answer pursuant to Rule 310(b)(2)(A).

Respondent denies the factual allegation contained in paragraph 15. Any reconstruction of income involving the underlying corporation (Hazel Crest Food & Liquor Inc.) must be resolved in litigation connected to the Notice of Deficiency issued to the underlying

corporation and the instant case will be determined based upon the final outcome of that other litigation. If by “taxpayers” Petitioner is referring to Awwad and Hanan Tadros, Department denies the allegation and alleges that the Notices of Deficiency issued to Awwad and Hanan Tadros were based upon the final determination of the income of the underlying corporation.

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.

**ANSWER:** The information contained in Paragraph 16 is not a material allegation of fact, and therefore does not require an answer pursuant to Rule 310(b)(2)(A).

Respondent denies the factual allegation contained in paragraph 16. Any reconstruction of income involving the underlying corporation (Hazel Crest Food & Liquor Inc.) must be resolved in litigation connected to the Notice of Deficiency issued to the underlying corporation and the instant case will be determined based upon the final outcome of that other litigation.

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

**ANSWER:** The information contained in Paragraph 17 is not a material allegation of fact, and therefore does not require an answer pursuant to Rule 310(b)(2)(A).

Respondent denies the factual allegation contained in paragraph 17. Any reconstruction of income involving the underlying corporation (Hazel Crest Food & Liquor Inc.) must be resolved in litigation connected to the Notice of Deficiency issued to the underlying corporation and the instant case will be determined based upon the final outcome of that other litigation.

**WHEREFORE**, the Department respectfully requests this Tribunal

1. Deny Petitioner's prayer for relief;
2. Find that the Notice correctly reflects Petitioner's liability for tax, penalty and interest for the tax years ending December 31, 2010 and December 31, 2011.
3. Order judgment in favor of the Department and against the Taxpayer/Petitioner;  
and
4. Grant any further relief this Tribunal deems just and appropriate.

Respectfully Submitted,

LISA MADIGAN  
Attorney General  
State of Illinois

By: /S/ Ralph Bassett  
Ralph Bassett  
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