

**ILLINOIS INDEPENDENT TAX TRIBUNAL
CHICAGO, ILLINOIS**

CHARNPAL GHUMAN,)	
)	
Petitioner,)	
)	
v.)	Case No. 15-TT-263
)	
DEPARTMENT OF REVENUE)	
OF THE STATE OF ILLINOIS,)	
Respondent.)	

ANSWER

The Department of Revenue of the State of Illinois, by and through its attorney, Lisa Madigan, Attorney General of the State of Illinois, answers the Taxpayer's Petition as follows:

1. Petitioner received an Assessment and Notice of Intent from the Department dated October 23, 2015 (Exhibit A) in which Petitioner, Charnpal Ghuman, is personally assessed responsibility for payment of the outstanding penalty balance of \$29,138.95.

ANSWER: The information contained in Paragraph 1 is required by Illinois Tax Tribunal Regulations Section 310(a)(1)(D)(86 Ill. Admin. Code §5000.310) and is not a material allegation of fact requiring an answer under Section 310(b)(2) of the Tax Tribunal Regulations. The Department admits the factual allegations in Paragraph 1.

2. The time period for which tax, interest and penalties were assessed was from January 1, 2007 until April 30, 2008.

ANSWER: The Department admits the allegations in Paragraph 2.

3. The Petitioner, Charnpal Ghuman, resides at 1314 N. Deer Avenue, Palatine, Illinois 60067 and is the responsible party for the corporate taxpayer, Infinite Gas Two, Inc.

ANSWER: The information contained in Paragraph 3 is required by Illinois Tax Tribunal

Regulations Section 310(a)(1)(A)(86 Ill. Admin. Code §5000.310) and is not a material allegation of fact requiring an answer under Section 310(b)(2) of the Tax Tribunal Regulations. The Department admits the factual allegations in Paragraph 3.

4. Mr. Ghuman's phone number is 847-208-3018.

ANSWER: The information contained in Paragraph 4 is required by Illinois Tax Tribunal Regulations Section 310(a)(1)(A)(86 Ill. Admin. Code §5000.310) and is not a material allegation of fact requiring an answer under Section 310(b)(2) of the Tax Tribunal Regulations. The Department admits the factual allegations in Paragraph 4.

5. Infinite Gas Two, Inc.'s IBT Number is 3650-0666.

ANSWER: The Department admits the allegations in Paragraph 5.

6. Infinite Gas Two, Inc. operated a gas station/convenience store at 1950 Plum Grove Road, Rolling Meadows, Illinois 60008.

ANSWER: The Department admits the allegations in Paragraph 6.

7. The Illinois Department of Revenue has issued an Assessment and Notice of Intent to Petitioner in an amount exceeding \$15,000.00. Therefore, the Illinois Independent Tax Tribunal has jurisdiction of this matter pursuant to 35 ILCS 1010/1-45.

ANSWER: Paragraph 7 contains a legal conclusion, not a material allegation of fact, and therefore does not require an answer under Section 310(b)(2) of the Tax Tribunal Regulations.

8. Infinite Gas Two, Inc. purchased the retail gas station convenience store located at 1950 Plum Grove Road, Rolling Meadows, Illinois (the "location") and operated a convenience store/gas station at the Location under IBT No. 3650-0666.

ANSWER: The Department lacks information to admit or deny the allegations in Paragraph

8 and demands strict proof thereof.

9. On or before January 1, 2007, Infinite Gas Two, Inc. sold the Location under an Installment Contract (“Contract”) and the retail operations at the Location were thereafter conducted by the Purchaser under the Contract.

ANSWER: The Department lacks sufficient information to admit or deny the allegations in Paragraph 9 and demands strict proof thereof.

10. Mir Khan was an officer of the Purchaser at the time, and on information and belief Purchaser is believed to have been Euclid Oil, Inc.

ANSWER: The Department lacks sufficient information to admit or deny the allegations in Paragraph 10 and demands strict proof thereof.

11. Mr. Ghuman, subsequently, went to India to attend to his business interests there with the understanding that Purchaser obtained an IBT Number in Purchaser’s name.

ANSWER: The Department lacks sufficient information to admit or deny the allegations in Paragraph 11 and demands strict proof thereof.

12. Purchaser didn’t obtain an IBT Number immediately, in its own name, and conducted retail operations under Infinite Gas Two, Inc.’s IBT Number from January 1, 2007 until April 30, 2008.

ANSWER: The Department lacks sufficient information to admit or deny the allegations in Paragraph 12 and demands strict proof thereof.

13. On November 5, 2011, the Department completed an audit of the Location’s sales for the period of January 1, 2007 until April 30, 2008.

ANSWER: The Department admits an audit for the above periods was conducted but denies the entire audit was completed on November 5, 2011 as implied in Paragraph 13.

14. As a result of the audit, the Department assessed a tax liability of \$91,628.00 as follows: delinquent tax of \$71,434.00, a Late-filing penalty of \$126.00, a Late-payment penalty of \$10,715.00 and interest on tax of \$9,353.

ANSWER: The Department denies the allegations in Paragraph 14. The total tax, penalty and interest due, pursuant to the October 27, 2010 Notice of Tax Liability is \$183,853.00.

15. The Purchaser operated the retail operations during the audit period and agreed to pay the tax liability assessed to Infinite Gas Two, Inc. and on November 8, 2010, submitted a CPP-1, Payment Installment Plan Request (“CPP-1”) to the Department (Exhibit B).

ANSWER: The Department lacks information to admit or deny the allegations in Paragraph 15 and demands strict proof thereof. The Department admits Petitioner submitted a CPP-1 Payment Plan Installment Request.

16. Purchaser did not receive a response to its request and began making monthly payments of \$3,000.00 pending a response from the Department to its CPP-1 request.

ANSWER: The Department lacks sufficient information to admit or deny the allegations in Paragraph 16 and demands strict proof thereof.

17. In February 2011, Ed Staub, the auditor who determined the tax liability due from Infinite Gas, Inc. called Michael Lacy, Counsel for Infinite Gas Two, Inc., and informed Mr. Lacy that Mr. Staub’s supervisor instructed him to advise Infinite Gas Two, Inc. to cease making monthly payments until its CPP-1 Request was approved (Exhibit D-Affidavit of Michael Lacy).

ANSWER: The Department lacks sufficient information to admit or deny the allegations in Paragraph 17 and demands strict proof thereof.

18. Purchaser’s request to pay pursuant to a CPP-1 wasn’t approved until January 2013 (Exhibit

E) more than two years after the request was made.

ANSWER: The Department admits the allegations in Paragraph 18. The Department further states the CPP-1 was not processed pursuant to a collections hold on the account due to Infinite Gas Two, Inc.'s open matter in Administrative Hearings, Case No. 11-ST-0352.

**UNDER THE TERMS OF THE ILLINOIS TAX DELIQUENCY AMNESTY ACT
(345 ILCS 745) THE INTEREST AND PENALTY SHOULD NOT HAVE DOUBLED**

19. The Illinois Tax Delinquency Act (the "Act") provides that if any delinquent tax accruing during the period from June 30, 2002 until July 1, 2009 ("Subject Period") were paid in full prior to November 8, 2010, any interest or penalty having accrued prior to that time would be waived.

ANSWER: Paragraph 19 contains a legal conclusion, not a material allegation of fact, and therefore does not require an answer under Section 310(b)(2) of the Tax Tribunal Regulations.

20. The Act further provides that any tax not paid for the Subject Period by the November 8, 2010 date would be subject to an assessment doubling the interest and penalty due.

ANSWER: Paragraph 20 contains a legal conclusion, not a material allegation of fact, and therefore does not require an answer under Section 310(b)(2) of the Tax Tribunal Regulations.

21. In connection with the Act, the Department issued a publication which advised taxpayers of an additional benefit of the Amnesty Program, specifically, it advised that if a Taxpayer had mailed to the Department a CPP-1: Payment Installment Plan Request for liabilities having accrued during the Subject Period prior to November 8, 2010, the interest and penalty would not be doubled. (Exhibit F, Nos. 16 & 18).

ANSWER: Paragraph 21 contains a legal conclusion, not a material allegation of fact, and

therefore does not require an answer under Section 310(b)(2) of the Tax Tribunal Regulations. The Department states the Announcement attached to the Petition as Exhibit F speaks for itself.

22. Petitioner timely filed a CPP-1 on November 8, 2010.

ANSWER: Paragraph 22 contains a legal conclusion, not a material allegation of fact, and therefore does not require an answer under Section 310(b)(2) of the Tax Tribunal Regulations. The Department admits the Taxpayer filed a CPP-1.

23. Once, the CPP-1 was approved in January of 2013, all payments were timely made on behalf of Infinite Gas Two, Inc. fully satisfying the taxes, penalty and assessed to Infinite Gas Two, Inc. as result of the audit.

ANSWER: Paragraph 23 contains a legal conclusion, not a material allegation of fact, and therefore does not require an answer under Section 310(b)(2) of the Tax Tribunal Regulations. The Department admits the CPP-1 was approved in January 2013.

24. Infinite Gas Two, Inc. and thereby, the Petitioner, fully complied with the terms of the Act and Payment Installment Plan.

ANSWER: Paragraph 24 contains a legal conclusion, not a material allegation of fact, and therefore does not require an answer under Section 310(b)(2) of the Tax Tribunal Regulations. To the extent Paragraph 24 requires any further answer the Department denies the allegations in Paragraph 24.

25. Petitioner cannot be held responsible or otherwise penalized because Infinite Gas Two, Inc. followed the direction of the Department to cease making payments prior to the acceptance of the Installment Plan or due to the length of time it took the Department to approve the Plan.

ANSWER: Paragraph 25 contains a legal conclusion, not a material allegation of fact, and therefore does not require an answer under Section 310(b)(2) of the Tax Tribunal Regulations. To the extent Paragraph 25 requires any further answer, the Department denies the allegations.

26. The Department was obligated to accept the voluntary monthly payments offered by the Petitioner prior to the approval of the CPP-1.

ANSWER: Paragraph 26 contains a legal conclusion, not a material allegation of fact, and therefore does not require an answer under Section 310(b)(2) of the Tax Tribunal Regulations. To the extent Paragraph 26 requires any further answer the Department denies the allegations in Paragraph 26.

27. The Department should not have doubled the amount of interest and Penalty owed by Infinite Gas Two, Inc.

ANSWER: Paragraph 27 contains a legal conclusion, not a material allegation of fact, and therefore does not require an answer under Section 310(b)(2) of the Tax Tribunal Regulations. To the extent Paragraph 27 requires any further answer, the Department denies the allegations.

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

- a. denying the prayer for relief in the Petitioner's Petition in its entirety;
- b. finding that the Notice of Penalty Liability at issue is correct as issued;
- c. ordering judgment in favor of the Department and against the Taxpayer; and
- d. granting such further relief as this Tribunal deems appropriate under the circumstances.

Dated: February 3, 2016

Respectfully submitted,
Illinois Department of Revenue,

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