

**ILLINOIS INDEPENDENT TAX TRIBUNAL
CHICAGO, ILLINOIS**

VERIZON SELECT SERVICES, INC.,)	
)	
Petitioner,)	
)	
v.)	Case No. 15-TT-269
)	
ILLINOIS DEPARTMENT OF)	
REVENUE,)	
)	
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:

INTRODUCTION

1. The Notice was issued on October 27, 2015, denying Petitioner’s Claim for Sales and Use Tax Overpayment in amounts in excess of \$15,000, exclusive of penalties and interest for periods February 1, 2012 through March 31, 2014. A copy of the notice is attached to this Petition.

ANSWER: The Department admits the allegations in Paragraph 1.

2. Petitioner is one of several Verizon Communications, Inc. (“Verizon”) companies registered to operate within the State of Illinois.

ANSWER: The Department admits the allegations in Paragraph 2.

3. It is registered at P.O. Box 625, Basking Ridge, New Jersey, 07920 and its telephone number is 908-559-5981. Its taxpayer account number is 2598-3296.

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 allegations contained in Paragraph 3.

BACKGROUND FACTS

4. For the periods at issue, Petitioner carried a credit balance on its Sales, Use and E911 Surcharge account in the amount of \$353,868.32.

ANSWER: The Department admits the allegations in Paragraph 4.

5. These amounts were in the form of credits, which arose from excess pre-payments made on account, and other overpayments granted.

ANSWER: The Department denies the allegations in Paragraph 5. The amounts were in the form of Overpayments which are legally different than Credits (or Credit Memoranda). The Department admits the Overpayments arose from excess accelerated payments made on the account.

6. Petitioner filed Illinois form ST-6, Claim for Sales and Use Tax Overpayment with the Department on September 15, 2015. A copy of this filing is attached to the Petition.

ANSWER: The Department admits the allegations in Paragraph 6.

7. Petitioner requested that the credit balances on its account be converted to credit memoranda and transferred to the Illinois account ID number of a related party, Verizon Business Purchasing, LLC (Illinois account ID number 2862-2243).

ANSWER: The Department admits the allegations in Paragraph 7.

8. Petitioner received a Credit Memorandum Transfer letter dated October 27, 2015 granting a transfer of \$3,223.69 from the period November 2012.

ANSWER: The Department admits the allegations in Paragraph 8.

9. All other periods at issue were denied by the Department in its Notice.

ANSWER: The Department admits the allegations in Paragraph 9.

10. Petitioner no longer has the business activity to consume the credit balance left on its account.

ANSWER: The Department denies the allegations in Paragraph 10. The Department denies the balance on the account be characterized as a Credit.

ERROR ALLEGED

11. The Department erred in disallowing the credit memorandum transfers requested.

ANSWER: The Department denies the allegations in Paragraph 11.

WHEREFORE, the Department respectfully requests this Tribunal:

- a. Deny each prayer for relief in the Petition;
- b. Find that the Department's Notice correctly reflects the Petitioner's liability including interest and penalties;
- c. Enter judgment in favor of the Department and against the Petitioner; and
- d. Grant any further relief this Tribunal deems just and appropriate.

Dated: January 29, 2016

Respectfully submitted,
Illinois Department of Revenue

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