

**ILLINOIS INDEPENDENT TAX TRIBUNAL
CHICAGO, ILLINOIS**

EXXON MOBIL CORP. & AFFILIATED COMPANIES)	
)	
)	
Petitioner)	
v.)	16-TT-29
)	
ILLINOIS DEPARTMENT OF REVENUE,)	
)	
Defendant)	

NOTICE OF FILING

TO: mwetheka@hmblaw.com
bschiller@hmblaw.com
Marilyn A. Wethekam
Breen M. Schiller
Horwood Marcus & Berk Chartered
Chicago, IL 60661
(312) 606-3200

PLEASE TAKE NOTICE, that on March 22, 2016, the undersigned representative for the Illinois Department of Revenue (the "Department") filed the Department's Answer to Exxon Mobil Corporation & Affiliated Companies' Petition with the Illinois Tax Tribunal, located at 160 North LaSalle Street, Room N506, Chicago, IL 60601.

Rickey A. Walton
Special Assistant Attorney General

Rickey A. Walton
Illinois Department of Revenue
100 West Randolph Street, 7-900
Chicago, IL 60601
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**ILLINOIS INDEPENDENT TAX TRIBUNAL
CHICAGO, ILLINOIS**

EXXON MOBIL CORP. & AFFILIATED COMPANIES)	
)	
Petitioner)	
v.)	16-TT-29
)	
ILLINOIS DEPARTMENT OF REVENUE,)	
)	
Defendant)	

ANSWER

Defendant, the ILLINOIS DEPARTMENT OF REVENUE, by its attorney, LISA MADIGAN, Illinois Attorney General, for its Answer to Petitioner EXXON MOBIL CORP. & AFFILIATED COMPANIES states as follows:

PARTIES

1. Petitioner is a New Jersey corporation located at 22777 Springwoods Village Parkway, N3.3B.347, Spring, Texas, 77389; and can be reached at 832-624-4570 or sterling.d.jones@exxonmobil.com.

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

2. Petitioner is represented by Horwood Marcus & Berk Chartered attorneys Marilyn A. Wethekam and Breen M. Schiller located at 500 West Madison St., Suite 3700, Chicago, Illinois 60661, and can be reached at 312-606-3240 or mwetheka@hmbllaw.com; and 312-606-3220 or bschiller@hmbllaw.com, respectively.

ANSWER: The information contained in Paragraph 2 is required by Rule 310(a)(1)(B) (86 Ill. Adm. Code §5000.310) and is not a material allegation of fact, and therefore does not require an answer pursuant to Rule 310(b)(2). Notwithstanding the foregoing, the Department admits the factual allegations contained in Paragraph 2.

3. Petitioner's FEIN is 13-5409005.

ANSWER: The information contained in Paragraph 3 is required by Rule 310(a)(1)(C) (86 Ill. Adm. Code §5000.310) and is not a material allegation of fact, and therefore does not require an answer pursuant to Rule 310(b)(2). Notwithstanding the foregoing, the Department admits the factual allegation contained in Paragraph 3.

4. Petitioner's Illinois Account Number is 13539-35104.

ANSWER: The information contained in Paragraph 4 is required by 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). Notwithstanding the foregoing, the Department admits the factual allegation contained in Paragraph 4.

5. The Department is an agency of the Executive Department of the State Government and is tasked with the enforcement and administration of Illinois tax laws. 20 ILCS 5/5-15.

ANSWER: The Department admits that the Department is an agency of the State of Illinois and that the Department is responsible for enforcing the Illinois Income Tax Act (35 ILCS 5/101 *et seq.*), which is relevant to the allegations and legal claims raised in Taxpayer's Petition. The term "tax laws" is vague, and therefore the Department denies all other allegations contained in Paragraph 5 and demands strict proof thereof.

NOTICES

6. On October 28, 2015, Petitioner received an Erroneous Refund Letter (“Refund Letter”) alerting Petitioner to the fact that Department applied another taxpayer’s payment to Petitioner’s account, a copy of which is attached as Exhibit A.

ANSWER: Admit. Further, the Department asserts that the Erroneous Refund Letter, attached to petition as Exhibit A, speaks for itself.

7. On December 28, 2015, Petitioner received a Notice of Deficiency (“Notice”), a copy of which is attached as Exhibit B, concerning the refund issued in the amount of \$14,553,575.98; comprised of \$14,347,216.38 of refunded tax and \$206,359.60 of interest (the “Issued Refund”), and that a portion thereof, \$126,797.91 (the “Erroneous Refund”), was issued in error.

ANSWER: Admit. Further, the Department asserts that the Notice of Deficiency, attached to petition as Exhibit B, speaks for itself.

JURISDICTION

8. Petitioner brings this action pursuant to the Illinois Independent Tax Tribunal Act (“Tribunal Act”), 35 ILCS 1010/1-1 to 35 ILCS 1010/1-100.

ANSWER: Admit.

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

ANSWER: Paragraph 9 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 the existence, force, and effect at all relevant times of the statute set forth or referred to in Paragraph 9 and states that such statute speaks for itself.

BACKGROUND

10. The tax involved herein is the Illinois corporate income and replacement tax imposed under the Illinois Income Tax Act (the “Act”), 35 ILCS §5/201, *et seq.*

ANSWER: Admit.

11. On or before October 15, 2013, Petitioner filed its Illinois corporation income and replacement tax return (“Original Return”) for the 2012 Year, the tax year at issue.

ANSWER: Admit.

12. On or before February 3, 2014, Petitioner filed an amended return correcting errors in its Sch-UB, which resulted in no change to its apportionable Illinois tax (the “Amended Return”).

ANSWER: Deny. Petitioner did not file an amended return on or before February 3, 2014 for tax year ending December 31, 2012. Instead, Petitioner submitted a letter, dated January 24, 2014, in response to a Return Correction Notice, dated November 27, 2013.

13. In the Amended Return, Petitioner requested a \$15,000,000 refund (the “Original Refund”) and carried forward \$37,010,346 to Petitioner’s 2013 tax year.

ANSWER: Deny. Petitioner did not file an amended return on or before February 3, 2014 for tax year ending December 31, 2012. Instead, Petitioner submitted a letter, dated January 24, 2014, in response to a Return Correction Notice, dated November 27, 2013. On its original IL-1120, dated October 11, 2013, Petitioner claimed a \$15,000,000 refund and carried forward \$37,010,346 to tax year 2013.

14. On June 27, 2014, Petitioner received the Issued Refund of \$14,553,575.98.

ANSWER: The Department admits that, on June 27, 2014, it issued Petitioner a \$14,553,575.98 refund, which consisted of \$14,347,216.38 of tax and \$206,359.60 of interest.

15. In October and December of 2015, Petitioner received the Refund Letter and the Notice, respectively, from the Department alerting Petitioner that the Department had misapplied another taxpayer's payment to its account in the amount of \$125,000 and that Petitioner should file a petition or pay the erroneous refund.

ANSWER: The Department admits that it issued Petitioner an Erroneous Refund Letter, dated October 28, 2015, stating, among other things, that the Department "applied another taxpayer's payment to [Petitioner's] account." The Department also admits that it issued Petitioner a Notice of Deficiency, dated December 17, 2015, stating, among other things, that: (i) if Petitioner agreed that the refund was issued in error, Petitioner could pay the amount of \$126,797.91; and (ii) if Petitioner disagreed with that the refund was issued in error, Petitioner could "file a petition with the Illinois Independent Tax Tribunal" within the time period stated therein or "file a complaint with the circuit court for a review of [the Department's] determination."

16. On June 27, 2014, the Department issued to Petitioner the Issued Refund.

ANSWER: Admit.

17. To date, Petitioner has requested and the Department has been unable to explain the discrepancy between the requested Original Refund and the Issued Refund.

ANSWER: Deny. On November 27, 2013, the Department issued Petitioner a Return Correction Notice stating, among other things, that "our records indicate that you have the following amount available:"

- Credit for previous year overpayment	\$64,203,132.38
- Estimated payments	\$125,000
- IL-505-B payments	\$0.00
- Pass-Through Entity and/or Gambling Withholding Credit	\$0.00

See Return Correction Notice, attached hereto as Department's Exhibit 2. Additionally, the Department issued Petitioner an Error Notification Response, dated June 16, 2014. The Department attached Worksheet 1, Worksheet 2, Worksheet 3, and Worksheet 4 to the Error Notification Response that showed the computation of the Petitioner's refund for tax years 2009, 2010, 2011, and 2012, respectively. For the tax year ending December 31, 2012, Worksheet 4 showed, among other things, the following amounts:

\$64,203,132.38	Credit from previous year
\$ 3,716,590.00	Transfer into 2013 from 2002
\$ 125,000.00	Estimated payment
\$16,687,160.00	Illinois income & replacement tax due
\$51,357,562.38	overpayment
\$37,010,346.00	Amount credited to tax year 12/2013
\$14,347,216.38	Amount refunded

Based on the foregoing amounts and the other amounts shown on Worksheet 4, the Department computed Petitioner's refund for tax year ending December 31, 2012 as follows:

\$64,203,132.38	Credits from previous year
<u>\$ 3,716,590.00</u>	Transfers from 2002
<u>\$ 125,000.00</u>	Estimated payment
\$68,044.722.38	Total Credits from previous years
<u>(\$16,687,160.00)</u>	Tax due for tax year 12/2012
\$51,357,562.38	Total overpayment
<u>(\$37,010,346.00)</u>	Amount credited to tax year 12/2013
\$14,347,216.38	Refund issued for tax year 12/2012 (not including interest).

Therefore, the Department fully informed Petitioner regarding the \$125,000 estimated payment and the methodology used to compute the refund for tax year 2012 before it issued the Erroneous Refund Letter on October 28, 2015 and the Notice of Deficiency on December 17, 2015. Accordingly, the Department provided Petitioner with the basis and authority for the Erroneous Refund Letter and Notice of Deficiency.

18. To date, Petitioner has requested additional basis and authority for the Refund Letter and Notice, which the Department has been unable to provide.

ANSWER: Deny. On June 16, 2014, the Department issued Petitioner an Error Notification Response, with Worksheets 1 through 4 attached thereto. *See* Department's Exhibit 2. Each worksheet showed, among other things, the computation of the Petitioner's refund for either tax year 2009, 2010, 2011, or 2012. For tax year ending December 31, 2012, Worksheet 4 showed, among other things, the following amounts:

\$64,203,132.38	Credit from previous year
\$3,716,590	Transfer into 2013 from 2002
\$125,000	Estimated payment
\$16,687,160	Illinois income & replacement tax due
\$51,357,562.38	overpayment
\$37,010,346.00	Amount credited to tax year 12/2013
\$14,347,216.38	Amount refunded

Based on the amounts shown above and the other amounts shown on Worksheet 4, the Department computed Petitioner's refund for tax year ending December 31, 2012 as follows:

\$64,203,132.38	Credits from previous year
\$ 3,716,590.00	Transfers from 2002
<u>\$ 125,000.00</u>	Estimated payment
\$68,044,722.38	Total Credits from previous years
<u>(\$16,687,160.00)</u>	Tax due for tax year 12/2012
\$51,357,562.38	Total overpayment
<u>(\$37,010,346.00)</u>	Amount credited to tax year 12/2013
\$14,347,216.38	Refund issued for tax year 12/2012 (not including interest).

Therefore, the Department fully informed Petitioner regarding the \$125,000 estimated payment and the methodology used to compute the refund for tax year 2012 before it issued the Erroneous Refund Letter on October 28, 2015 and the Notice of Deficiency on December 17, 2015. Accordingly, the Department provided Petitioner with the basis and authority for the Erroneous Refund Letter and Notice of Deficiency.

19. On December 17, 2015, the Department issued Petitioner the Notice concerning the Erroneous Refund.

ANSWER: Admit.

20. The Notice alerted Petitioner that it had issued a portion of the refund, \$125,000 plus \$1,791.91 of interest, for a total of \$126,791.91, in error.

ANSWER: The Department admits that the Notice of Deficiency alerted Petitioner that it had issued a portion of the refund, \$125,000 plus \$1,797.91 of interest, for a total of \$126,797.91, in error and states that the Notice of Deficiency speaks for itself.

21. The Refund Letter states that the Department misapplied another taxpayer's payment to its account.

ANSWER: The Department admits that the Refund Letter states, among other things, that the Department "applied another taxpayer's payment to [Petitioner's] account," and states that the Refund Letter speaks for itself.

22. The Notice states the Erroneous Refund was the result of a processing error and that the Erroneous Refund was not due to Petitioner.

ANSWER: Admit.

23. Petitioner did not reflect the \$125,000 amount on any of its subsequent returns or filings with the Department.

ANSWER: The Department lacks sufficient knowledge to either admit or deny the allegation contained in paragraph 23 because the phrase "subsequent returns or filings" is vague. Further, the fact that Petitioner did not reflect the \$125,000 estimated payment on any of its "subsequent returns or filings" does not negate the fact that the \$125,000 was clearly shown as an estimated payment on Worksheet 4 (attached to the Error Notification Response, dated June 16, 2014) that showed the computation of the \$14,347,216.38 tax refund the Department issued Petitioner on June 27, 2014. *See* Department's Exhibit 2.

COUNT I

24. Petitioner re-alleges and incorporates by this reference the allegations made in paragraphs 1 through 21.

ANSWER: The Department incorporates and repeats its answers to paragraph 1 through 21 as if fully set forth herein.

25. Petitioner never received any amount in error.

ANSWER: Deny.

26. Petitioner requested its Original Refund and received the Issued Refund instead with no explanation as to the discrepancy.

ANSWER: Deny. Worksheet 4 attached to the Error Notification Response showed how the Department computed the Issued Refund, thereby explaining the difference between the Original Refund and the Issued Refund. *See* Department's Exhibit 2.

27. Petitioner does not contest the amount of interest received on the Issued Refund.

ANSWER: The Department lacks sufficient knowledge to either admit or deny the allegation in Paragraph 27 and demands strict proof thereof.

28. Petitioner never received nor reflected the \$125,000 payment on its returns or filings with the Department.

ANSWER: Deny.

29. Petitioner contends this error is solely present on the Department's books and records.

ANSWER: Deny.

WHEREFORE, the Department prays that this Tribunal enters an Order that:

- a. Finds that the Department issued Petitioner an Error Notification Response that explained how it computed the Issued Refund and explained the difference between the Issued Refund and the Original Refund;
- b. Finds that the Petitioner received the Erroneous Refund in the amount of \$125,000 plus interest of \$1,797.91;
- c. Finds that the Petitioner did not file an amended return for tax year ending December 31, 2012; and
- d. Grants other relief as this Tribunal deems appropriate under the facts and circumstances.

COUNT II

30. Petitioner re-alleges and incorporates by this reference the allegations made in paragraphs 1 through 21.

ANSWER: The Department incorporates and repeats its answers to Paragraphs 1 through 21 as if fully set forth herein.

31. Petitioner requested the Original Refund of \$15,000,000 and the Department paid to Petitioner the Issued Refund of \$14,553,575.98.

ANSWER: Admit. However, \$125,000, plus interest of \$1,797.91, of the Issued Refund was made in error.

32. Petitioner seeks the remainder of the requested refund, or \$652,783.62, plus interest.

ANSWER: Deny. Further, the only issue before this Tribunal is set forth in the Notice of Deficiency dated December 17, 2015, namely the recovery of an erroneous refund in the amount \$125,000 plus \$1,797.91 of interest. Accordingly, this Tribunal's jurisdiction is limited to the adjudication of the erroneous refund.

WHEREFORE, the Department prays that this Tribunal enters an Order that:

- a. Finds that the only issue before this Tribunal is the erroneous refund set forth in the Notice of Deficiency;
- b. Finds that whether Petitioner is entitled to an additional refund of \$652,783.62 is not an adjustment included in the Notice of Deficiency, dated December 17, 2015, and therefore the additional refund is not before this Tribunal;
- c. Grants such other relief as this Tribunal deems appropriate based on the facts and circumstances in the instant matter.

COUNT III

33. Petitioner re-alleges and incorporates by this reference the allegations made in paragraphs 1 through 21.

ANSWER: The Department incorporates and repeats its answers to Paragraphs 1 through 21 as if fully set forth herein.

34. The Illinois Taxpayer Bill of Rights requires the Department to furnish taxpayers with an explanation of the tax liabilities and penalties associated with a tax notice. 20 ILCS 2520/4(b).

ANSWER: Paragraph 34 contains a legal conclusion, not a material allegation of fact, and therefore does not require an answer pursuant to Rule 310(b)(2). The Department admits the existence, force, and effect at all relevant times of the statute set forth or referred to in Paragraph 34 and states that such statute speaks for itself. Notwithstanding the foregoing, the Department issued Petitioner an Error Notification Response, dated June 16, 2014, that showed that the \$125,000 payment was included in the computation of Petitioner's \$14,553,575.98 refund (i.e., \$14,347,216.38 of tax and \$206,359.60 of interest) for tax year ending December 31, 2012. *See* Department's Exhibit 2.

35. The Illinois Income Tax Act requires that the Department not only explain what adjustments are made on a Notice of Deficiency, it is required to provide the reasons therefor. 35 ILCS 5/904(c).

ANSWER: Paragraph 35 contains a legal conclusion, not a material allegation of fact, and therefore does not require an answer pursuant to Rule 310(b)(2). The Department admits the existence, force, and effect at all relevant times of the statute set forth or referred to in Paragraph 35 and states that such statute speaks for itself.

36. Petitioner has requested and the Department has been unable to explain the discrepancy between the requested Original Refund and the Issued Refund.

ANSWER: Deny. Before it issued the Notice of Deficiency at issue in this matter, the Department issued Petitioner an Error Notification Response, dated June 16, 2014, showing the computation of Petitioner's \$14,553,575.98 refund (i.e., \$14,347,216.38 of tax and \$206,359.60 of interest) for tax year ending December 31, 2012. Accordingly, the Department has explained the difference between the \$15,000,000 refund Petitioner claimed on its 2012 IL-1120 and the \$14,553,575.98 refund the Department issued Petitioner on June 27, 2014 for tax year ending December 31, 2012. *See* Department's Exhibit 2.

37. The Department has not provided Petitioner with basis or authority for the Refund Letter or Notice.

ANSWER: Deny. Worksheet 4 attached to an Error Notification Response, dated June 16, 2014, showed that the \$125,000 payment was included in the computation of the \$14,553,575.98 refund (i.e., \$14,347,216.38 of tax and \$206,359.60 of interest) the Department issued Petitioner for tax year ending December 31, 2012. *See* Department's Exhibit 2.

38. The Department did not comply with the Taxpayer Bill of Rights.

ANSWER: Deny. Before it issued the Notice of Deficiency dated December 17, 2015 at issue in this matter, the Department issued Petitioner an Error Notification Response, dated June 16, 2014. Worksheet 4 attached to the Error Notification Response showed (i) that the \$125,000 payment was included in Petitioner's account for tax year 2012, and (ii) the computation of Petitioner's \$14,553,575.98 refund (i.e., \$14,347,216.38 of tax and \$206,359.60 of interest) for tax year ending December 31, 2012. Therefore, the Department complied with the Taxpayer Bill of Rights.

39. The Department did not comply with 35 ILCS 5/904(c).

ANSWER: Deny. Before it issued the Notice of Deficiency at issue in this matter, the Department issued Petitioner an Error Notification Response, dated June 16, 2014. Worksheet #4 attached to the Error Notification Response explained how the Department computed the refund the Department issued Petitioner for tax year ending December 31, 2012. *See* Department's Exhibit 2.

40. Without providing an explanation as to its adjustments, the Department has deprived the Plaintiff of a meaningful opportunity to protest the adjustments.

ANSWER: Deny. Before it issued the Notice of Deficiency dated December 17, 2015 at issue in this matter, the Department issued Petitioner an Error Notification Response, dated June 16, 2014, showing the computation of Petitioner's \$14,347,216.38 tax refund for tax year ending December 31, 2012. Accordingly, the Department has explained the difference between the \$15,000,000 refund Petitioner claimed on its 2012 IL-1120 and the \$14,347,216.38 refund the Department issued on June 27, 2014 for tax year ending December 31, 2012. *See* Department's Exhibit 2.

41. Because the Notice does not comply with the Taxpayer Bill of Rights and 35 ILCS 5/904(c), depriving Plaintiff of a meaningful opportunity to challenge the assessment, the Notice is invalid.

ANSWER: Paragraph 41 contains a legal conclusion, not a material allegation of fact, and therefore does not require an answer pursuant to Rule 310(b)(2). The Department admits the existence, force, and effect at all relevant times of the statute set forth or referred to in paragraph 41 and states that such statute speaks for itself. Notwithstanding the foregoing, the Department denies any factual allegations contained in Paragraph 41.

42. Taxpayers have the right to recover damages in a suit if the Department intentionally or recklessly disregards the tax laws or regulations, or rights of taxpayers, in collecting taxes. 20 ILCS 2520/5.

ANSWER: Paragraph 42 contains a legal conclusion, not a material allegation of fact, and therefore does not require an answer pursuant to Rule 310(b)(2). The Department admits the existence, force, and effect at all relevant times of the statute set forth or referred to in paragraph 42 and states that such statute speaks for itself.

WHEREFORE, the Department prays that this Tribunal enters an Order that:

- a. Finds that the Department explained how it computed the \$14,553,575.98 refund it issued Petitioner for tax year ending December 31, 2012;
- b. Finds that the Department provided Petitioner with the basis and authority for the Refund Letter and the Notice of Deficiency, and therefore the Notice of Deficiency is valid;
- c. Finds that the Department complied with the Taxpayer Bill of Rights and 35 ILCS 5/904(c), and therefore has provided Petitioner a meaningful opportunity to challenge the assessment set forth in the Notice of Deficiency;

- d. Finds that the Petitioner does not have a right to recover damages because the Department did not disregard the Illinois tax laws, regulations, or Petitioner's rights in collecting the taxes set forth in the Notice of Deficiency, dated December 17, 2015.
- e. Grants other relief as this Tribunal deems appropriate under the facts and circumstances.

Respectfully Submitted,

LISA MADIGAN
Attorney General
State of Illinois

By: _____
Rickey A. Walton
Special Assistant Attorney General

Rickey A. Walton
Special Assistant Attorney General
Illinois Department of Revenue
Office of Legal Services
100 W. Randolph St., 7-900
Chicago, IL 60601

Telephone: (312) 814-1016
Facsimile: (312) 814-4344
Email: rick.walton@Illinois.gov

Department's Exhibit 1

AGA/BLV

Return Correction Notice

for Form IL-1120, Corporation Income and Replacement Tax Return

RECEIVED

DEC 09 2013

ExxonMobil Tax
TRAC - SHARED ADMIN TEAM

STATE OF
Illinois
DEPARTMENT OF REVENUE
tax.illinois.gov
1 800 732-8866
217 782-3336

November 27, 2013 TDD 1 800 544-5304



Letter ID: CNXXXX11917744X5

Account ID: 13539-35104

FEIN: 13-5409005

Reporting Period: December 2012 ✓

#BWNKMGV
#CNXX XX11 9177 44X5#
EXXON MOBIL CORP & AFFILIATED COMPANIES
EXXON MOBIL CORPORATION AND AFFILIATED
COMPAN
ATTN: OSCAR E JONES
PO BOX 392
HOUSTON TX 77001-0392



We have found problems with your return.

- We changed the amount of total payments and credits you claimed on your return. Our records indicate that you have the following amounts available:

- Credit for previous year overpayment	\$64,203,132.38
- Estimated payments	\$125,000.00
- IL-505-B payments	\$0.00
- Pass-Through Entity and/or Gambling Withholding Credit	\$0.00

The payments we have on file are listed below. If you disagree, please send us a copy of the front and back of each missing cancelled check or money order you issued, or any electronic confirmation you received to make your payments.

NUMBER ON CHECK	DATE	AMOUNT
1216735188029	06/07/12	\$125,000.00

- We changed your income allocable to Illinois to \$8,790,261,169.00 because the FEIN 99-9999999 listed on your Schedule UB is not a valid FEIN. Please send us a corrected Schedule UB including valid FEINs for all members

- ✓ **If you have an amount due, send us your payment with the voucher on the enclosed Taxpayer Statement.**
- ✓ **If a response or missing documentation is required, send it to us within 30 days with a copy of this notice.**

ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19004
SPRINGFIELD IL 62794-9004

For questions, visit our web site or call one of the numbers above.

RECEIVED
FEB 19 2014
BPD

Department's Exhibit 1

Exxon Mobil Corporation
Americas Tax BSC
4500 Dacoma, Room 212
Houston, Texas 77092

Bruno Lopez Vidal
State Tax Analyst
Tax Reporting & Analysis Center
Telephone: 713-431-2613



January 24, 2014

Illinois Department of Revenue
PO Box 19004
Springfield, Illinois 62794-9004

via CERTIFIED MAIL

RE: Exxon Mobil Corporation & Affiliated Companies
FEIN: 13-5409005
Account ID: 13539-35104

To Whom It May Concern:

Regarding to the Return correction notice (Letter ID: CNXXXX11917744X5) for the form IL-1120, Corporation Income and Replacement Tax Return, please be informed that:

- I. **Schedule UB** has been revised and adjusted based on the notice received. The FEIN 99-9999999 has been removed from the group. The entire amounts of this company have been moved to FEIN 13-5409005. Because of this modification, total tax apportionable to Illinois does not register any changes.

No, but
dept correct
return per
procedures

We apologize for inconveniences this issue might have caused. Exxon Mobil Corporation and Affiliates always maintained good tax record with the State of Illinois and when liabilities emerged, those were paid accordingly and in a timely manner.

With this correction being made, there should be neither penalty nor interests. Kindly update the records accordingly by reflecting the correct carryforward overpayment as shown in the original return.

For our records, finally, kindly provide a written confirmation be sent with the adjustment to our account.

If you have any questions or require additional information, please call Bruno Lopez at (713) 431-2613.

Yours Sincerely,

BLV
Attachments

Department's Exhibit 2
Error Notification Response
for Form IL-1120, Corporation Income and Replacement Tax Return



#BWNKMGV
#CNXX XX81 634X 4480#
EXXON MOBIL CORP & AFFILIATED COMPANIES
EXXON MOBIL CORPORATION AND AFFILIATED
COMPAN
ATTN: OSCAR E JONES
PO BOX 392
HOUSTON TX 77001-0392

June 16, 2014



Letter ID: CNXXXX81634X4480

Account ID: 13539-35104

FEIN: 13-5409005

Reporting Period: December 2012



Dear Taxpayer:

We reviewed the information you sent regarding your Unitary Form IL-1120, Corporation Income and Replacement Tax Return for the tax year indicated above. This review is not the result of an audit. The following information identifies the results of our review.

We have received your request for account transcripts for periods 2009-2012. Please keep in mind that you are under audit for periods 2008-2011.

The enclosed worksheets show our computation of your account.

If you do not agree with the changes to your account and would like to send us additional information regarding your return, please do so within 30 days of the date of this letter. If the information you send us shows your return was filed correctly, we will adjust your account.

If we do not hear from you on time, we will presume that you agree with the changes. We will either bill you for any amount you owe or refund (or credit) any overpayment, if no other tax liabilities exist.

If you have any questions, please write or call our Springfield office weekdays between 8:00 a.m. and 4:00 p.m. Our address and telephone number are below.

Sincerely,

Daniel Bartolazzi

BUSINESS PROCESSING DIVISION
ILLINOIS DEPARTMENT OF REVENUE
101 W JEFFERSON ST
SPRINGFIELD IL 62702-5145

(217) 785-6703
(217) 785-8202 fax

Enclosures:

Department's Exhibit 2

Worksheet #1

Letter ID: CNXXXX81634X4480
Account ID: 13539-35104
Reporting Period: December 2012

FEIN	13-5409005
APE	12/2009
Illinois income and replacement tax due	\$2,495,066.00
Credit from previous year	\$11,867,678.38
Estimated payments	\$5,000,000.00
Form IL-505B payments	\$0.00
Other payments prior to the due date	\$0.00
Amount due	-\$14,372,612.38
Interest due	\$0.00
Late-filing penalty	\$0.00
Underpayment of estimated tax penalty	\$0.00
Late-payment penalty	\$0.00
Miscellaneous penalty	\$0.00
Total amount due	-\$14,372,612.38
Payment received with return	\$0.00
Other payments	\$0.00
Miscellaneous payment	\$0.00
Remaining balance due	\$0.00
Overpayment	\$14,372,612.38
Credited to 12/2010	\$14,372,612.38
Refunded	\$0.00

Department's Exhibit 2

Worksheet #2

Letter ID: CNXXXX81634X4480
Account ID: 13539-35104
Reporting Period: December 2012

FEIN	13-5409005
APE	12/2010
Illinois income and replacement tax due	\$12,585,973.00
Credit from previous year	\$14,372,612.38
Estimated payments	\$13,266,882.00
Form IL-505B payments	\$0.00
Other payments prior to the due date	\$0.00
Amount due	-\$15,053,521.38
Interest due	\$0.00
Late-filing penalty	\$0.00
Underpayment of estimated tax penalty	\$0.00
Late-payment penalty	\$0.00
Miscellaneous penalty	\$0.00
Total amount due	-\$15,053,521.38
Payment received with return	\$0.00
Other payments	\$0.00
Miscellaneous payment	\$0.00
Remaining balance due	\$0.00
Overpayment	\$15,053,521.38
Credited to 12/2011	\$15,053,521.38
Refunded	\$0.00

Department's Exhibit 2

Worksheet #3

Letter ID: CNXXXX81634X4480
Account ID: 13539-35104
Reporting Period: December 2012

FEIN	13-5409005
APE	12/2011
Illinois income and replacement tax due	\$12,850,389.00
Credit from previous year	\$15,053,521.38
Estimated payments	\$62,000,000.00
Form IL-505B payments	\$0.00
Other payments prior to the due date	\$0.00
Amount due	-\$64,203,132.38
Interest due	\$0.00
Late-filing penalty	\$0.00
Underpayment of estimated tax penalty	\$0.00
Late-payment penalty	\$0.00
Miscellaneous penalty	\$0.00
Total amount due	-\$64,203,132.38
Payment received with return	\$0.00
Other payments	\$0.00
Miscellaneous payment	\$0.00
Remaining balance due	\$0.00
Overpayment	\$64,203,132.38
Credited to 12/2012	\$64,203,132.38
Refunded	\$0.00

Department's Exhibit 2

Worksheet #4

Letter ID: CNXXXX81634X4480
Account ID: 13539-35104
Reporting Period: December 2012

FEIN	13-5409005
APE	12/2012
Illinois income and replacement tax due	\$16,687,160.00
Credit from previous year	\$64,203,132.38
Estimated payments	\$125,000.00
Form IL-505B payments	\$0.00
Other payments prior to the due date	\$0.00
Amount due	-\$47,640,972.38
Interest due	\$0.00
Late-filing penalty	\$0.00
Underpayment of estimated tax penalty	\$0.00
Late-payment penalty	\$0.00
Miscellaneous penalty	\$0.00
Total amount due	\$0.00
Payment received with return	\$0.00
Other payments	\$0.00
Transfer from 2002	\$3,716,590.00
Remaining balance due	\$0.00
Overpayment	\$51,357,562.38
Credited to 12/2013	\$37,010,346.00
Refunded	\$14,347,216.38

STATE OF ILLINOIS)
)
)
)
COUNTY SANGAMON)
)

**AFFIDAVIT OF LISA A. SMITH
PURSUANT TO TRIBUNAL RULE 5000.310(B)(3)**

Under penalties as provided by Section 1-109 of the Code of Civil Procedure, 735 ILCS 5/109, I, Lisa A. Smith, being first duly sworn on oath, depose, and state as follows:

1. I am an adult resident of the State of Illinois and can truthfully and competently testify to the matters contained herein based upon personal knowledge.
2. I am currently employed by the Illinois Department of Revenue.
3. My current title is Revenue Tax Specialist III in the Illinois Department of Revenue's Business Processing Division.
4. I conducted the review of the Corporation Income and Replacement Tax Return filed by Exxon Mobil Corporation and affiliated companies ("Exxon Mobil") for tax year ending December 31, 2012 on which Exxon Mobil claimed a \$15,000,000 refund.
5. I lack the requisite knowledge to either admit or deny the allegations alleged in Exxon Mobil's Petition in paragraphs 23 and 27.

Under penalties as provided by law, pursuant to Section 1-109 of the Code of Civil Procedure, the certifies that the statements set forth in this instrument are true and correct, except as to matters therein stated to be on information and belief and as to such matters the undersigned certifies as aforesaid that he believes the same to be true.



Lisa A. Smith
Revenue Tax Specialist III
Illinois Department of Revenue
Springfield, IL

3/17/16

Date

**ILLINOIS INDEPENDENT TAX TRIBUNAL
CHICAGO, ILLINOIS**

EXXON MOBIL CORP. & AFFILIATED COMPANIES)	
)	
)	
Petitioner)	
v.)	16-TT-29
)	
ILLINOIS DEPARTMENT OF REVENUE,)	
)	
Defendant)	

CERTIFICATE OF SERVICE BY ELECTRONIC MAIL

TO: mwetheka@hmbllaw.com
bschiller@hmbllaw.com
Marilyn A. Wethekam
Breen M. Schiller
Horwood Marcus & Berk Chartered
Chicago, IL 60661
(312) 606-3200

Please take notice that the undersigned Representative for the Illinois Department of Revenue (the "Department") certifies that, on March 22, 2016 he served the Department's Answer to Exxon Mobil Corporation & Affiliated Companies' Petition on the individuals listed above by electronic mail at the electronic mail addresses shown above at the date and time shown on the electronic transmission confirmation.

Rickey A. Walton
Special Assistant Attorney General

Rickey A. Walton
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