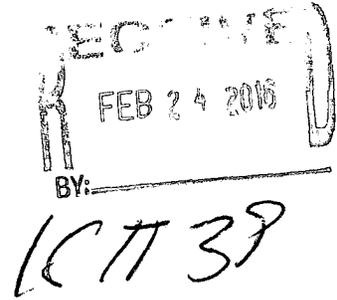


**ILLINOIS INDEPENDENT TAX TRIBUNAL
CHICAGO, ILLINOIS**

PRINCE GEORGE INC.,)
)
 Petitioner,)
)
 v.)
)
 ILLINOIS DEPARTMENT OF REVENUE,)
)
 Defendant.)

No.



PETITION

Prince George Inc. (“Petitioner”), by and through its attorneys, The Law Office of James E. Dickett, Ltd., complains of the Defendant, the Illinois Department of Revenue (“Department”), and alleges as follows:

PARTIES

1. Petitioner is an Illinois corporation formerly located at 20 East Ogden Avenue, Naperville, Illinois, 60563, and can be reached at 847-322-0895.

2. Petitioner is represented by The Law Office of James E. Dickett Ltd. attorney James E. Dickett, located at 600 Hillgrove Avenue, Suite 1, Western Springs, Illinois, 60558 and can be reached at 708-784-3200 or jdickett@aol.com.

3. Petitioner’s Taxpayer (Account) ID is 3777-1698.

4. 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.

NOTICE

5. On February 3, 2016, the Department issued a Notice of Tax Liability letter (“Notice”) to the Petitioner for a sales/use tax audit for the tax periods of July 1, 2012 to July 31, 2015 (which is when the business closed). The Notice reflects tax due of \$58,926, E911 Surcharge of \$212, late payment penalties of \$11,827, late filing penalties of \$32, and interest of \$2,950, for a total amount due of \$73,947. The Notice is attached hereto as Exhibit 1.

JURISDICTION

6. 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.

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

BACKGROUND

8. Petitioner was a petroleum retailer.

9. Defendants audited Petitioner’s books and records for the tax periods July 1, 2012 to July 31, 2015 (which is when the business closed).

10. The audit liability contained in the Notice is based eight (8) adjustments made by the Department during the audit.

11. Petitioner disagrees with six (6) of the audit adjustments including the adjustment for Service Materials (on-site mechanic was a separate (unrelated) business), the phone card adjustment (items sold with tax included and then reported of the ST-1 the same way), high rate/low rate allocation adjustment (overstated), gasohol deduction adjustment (math error), underreported receipts adjustment (overstated), and exempt organizations adjustment (improper based on documents provided during the audit).

COUNT I

Defendant's audit methodology overstates Petitioner's liability.

12. Petitioner realleges and incorporates by reference the allegation made in paragraphs 1 through 11, inclusive, hereinabove.

13. On audit, the Department calculated the audit liability by making eight (8) adjustments, but six (6) of those adjustments are erroneous (see 11.).

14. By applying this audit methodology, the Department unreasonably inflated Petitioner's audit liability.

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

- (a) enters judgment in favor of Petitioner and against the Defendant and cancels the Notice in part;
- (b) enjoins the Department from taking any action to assess, lien, levy, offset, or any other way prosecute and collect the amount due on the Notice; and
- (c) grants such further relief as the Tribunal deems appropriate.

COUNT II

All penalties should be abated based on reasonable cause.

15. Petitioner realleges and incorporates by reference the allegation made in paragraphs 1 through 14, inclusive, hereinabove.

16. In its Notice, the Department assessed late penalties based on the audit liability.

17. Illinois law provides that neither late penalties nor negligence penalties apply if a taxpayer shows that its failure to pay tax was due to reasonable cause. 35 ILCS 735/3-8.

Notice of Tax Liability
for Form EDA-105-R, ROT Audit Report

Exhibit 1



#BWNKMGV
#CNXX XX52 6X31 6328#
PRINCE GEORGE INC
STAR MOBIL
ATTN: YOUSEFF HANI/MOBIL GAS STATION
20 E OGDEN AVE
NAPERVILLE IL 60563-3153

February 3, 2016



Letter ID: CNXXXX526X316328

Account ID: 3777-1698



We have audited your account for the reporting periods July 01, 2012, through July 31, 2015. As a result we have assessed the amounts shown below.

	<u>Liability</u>	<u>Payments/Credit</u>	<u>Unpaid Balance</u>
Tax	58,926.00	0.00	58,926.00
E911 Surcharge	212.00	0.00	212.00
Late Payment Penalty Increase	11,827.00	0.00	11,827.00
Late Filing Penalty Increase	32.00	0.00	32.00
Interest	2,950.25	0.00	2,950.25
Assessment Total	\$73,947.25	\$0.00	\$73,947.25

If you agree, pay the assessment total as soon as possible to minimize additional penalty and interest. Mail a copy of this notice and your payment with the voucher on the enclosed Taxpayer Statement. By including a copy of this notice, your payment will be properly applied to the audit liability.

If you do not agree, you may contest this notice by following the instructions listed below.

- If the amount of this tax liability, exclusive of penalty and interest, is more than \$15,000, or if no tax liability 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 that do not fall within the jurisdiction of the Illinois Independent Tax Tribunal, file a protest with us, the Illinois Department of Revenue, and request an administrative hearing within 60 days of the date of this notice, which is April 04, 2016. Submit your protest on Form AH-4, Protest and Request for Administrative Hearing with the Illinois Department of Revenue (available on our website at tax.illinois.gov). Mail form AH-4 along with a copy of this notice to the address on the form. If you do not file a protest within the time allowed, you will waive your right to a hearing, and this liability will become final. 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. A protest of this notice does not preserve your rights under any other notice.
- Instead of filing a petition with the Illinois Independent Tax Tribunal or a protest with us, the Illinois Department of Revenue, 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 to satisfy your liability.

If you have questions, write or call us weekdays between 8:00 a.m. and 4:00 p.m. Our contact information is listed below.

BUREAU OF AUDITS
TECHNICAL REVIEW SECTION
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19012
SPRINGFIELD IL 62794-9012

217 785-6579