

ILLINOIS INDEPENDENT
TAX TRIBUNAL

ISPA CORPORATION,)	
)	
Petitioner,)	
v.)	No. 16 TT 97
)	Chief Judge James M. Conway
)	
ILLINOIS DEPARTMENT OF)	
REVENUE,)	
)	
Respondent.)	

DEPARTMENT'S ANSWER TO PETITION

Respondent, the Illinois Department of Revenue (the "Department"), by and through its attorney, Lisa Madigan, Illinois Attorney General, for its Answer to the Amended Petition (the "Petition"), hereby states as follows:

PARTIES

1. Petitioner(s), ISPA CORPORATION, ("Petitioner(s)"), is an Illinois Corporation.

ANSWER: The Department admits the allegations contained in paragraph 1.

2. Petitioner's place of location is at 1916 ARMY TRAIL ROAD, HANOVER PARK, IL 60133.

ANSWER: The Department admits the allegations contained in paragraph 2.

3. Petitioner's telephone number is (847)275-2562.

ANSWER: The Department admits the allegations contained in paragraph 3.

4. Petitioner's federal identification number is 27-1407913.

ANSWER: The Department admits the allegations 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: The Department admits the allegations contained in paragraph 5.

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.

ANSWER: The Department admits the allegations contained in paragraph 6.

7. On or about April 20, 2016, the Department issued a Notice of Tax Liability to Petitioner(s) asserting additional tax due in the amount of \$84,452.69 for the period of July 1, 2012 through December 31, 2014. (A copy of the notice is attached hereto and incorporated herein as Exhibit "B").

ANSWER: The Department admits the existence, force and effect, at all relevant times of the document attached to the Petition as Exhibit B and referred to in paragraph 7 and state that such document speaks for itself.

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 22, 2015 notice, where the amount at issue exceeds \$15,000.00, exclusive of penalties and interest and because the Illinois Department of Revenue has approved of a late discretionary hearing for this matter (see attached letter).

ANSWER: Although paragraph 8 is not an allegation of a material fact but a legal conclusion, the Department admits the allegation/legal conclusion contained in paragraph 8.

BACKGROUND

9. Petitioner operates a tobacco store.

ANSWER: The Department admits the 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: Although paragraph 10 is not an allegation of material fact but a legal conclusion, the Department denies the allegations/legal conclusions contained in paragraph 10.

PROCEDURAL HISTORY

11. At some point before October 22, 2015 the Department initiated a sales tax audit of the returns filed by the Petitioner(s) for the period of July 1, 2012 through December 31, 2014, (the "Audit Period").

ANSWER: The Department admits the allegations contained in paragraph 11.

12. After completing the sales tax audit the department determined that the taxpayer underreported sales.

ANSWER: The Department admits the allegations contained in paragraph 12.

13. The taxpayer provided books and records regarding his purchases and provided information regarding the cost of the tobacco products.

ANSWER: The Department admits that the taxpayer provided some books and records regarding taxpayer's purchases of tobacco products but denies that such books and records were complete or accurately reflected all of taxpayer's purchases of tobacco products.

14. On October 22, 2015 the Department issued an assessment based upon the audit findings. Said assessment is marked as Exhibit C and attached hereto.

ANSWER: The Department admits the existence, force and effect, at all relevant times of the document attached to the Petition as Exhibit C and referred to in paragraph 14 and state that such document speaks for itself.

15. The assessment was represented to be an amount due based upon the audit findings.

ANSWER: The Department admits the allegations contained in paragraph 15.

16. Subsequent to the producing of the assessment, the department unilaterally raised the assessment to the amount currently requested, that being \$84,452.69 as stated in Exhibit B, attached hereto.

ANSWER: The Department admits the existence, force and effect, at all relevant times of the document attached to the Petition as Exhibit B and referred to in paragraph 16 and state that such document speaks for itself.

17. The Department provided no explanation or reason for the additional assessment and the Petitioner believes that both assessments are erroneous.

ANSWER: The Department denies that no explanation was given for the increase in proposed tax reflected on the Notice of Tax Liability over the amount proposed due on the Notice of Proposed Liability, but otherwise neither admits nor denies the remaining allegations contained in paragraph 17 as they are not material allegations of fact but statements of Petitioner's belief.

WHEREFORE, the Department prays:

- A) That Judgment be entered against the Petitioner and in favor of the Department in this matter;
- B) That the Department's Notice of Tax Liability be determined to be correct;
- C) That this Tribunal grant such other additional relief it deems just and proper.

LISA MADIGAN
ILLINOIS ATTORNEY GENERAL
REVENUE LITIGATION BUREAU
100 W. RANDOLPH ST., RM. 13-216
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Respectfully Submitted,

LISA MADIGAN
Illinois Attorney General

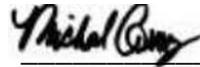

Michael Coveny,
Assistant Attorney General

CERTIFICATE OF SERVICE

I, Michael Coveny, an attorney for the Illinois Department of Revenue, state that I served a copy of the attached Department's Answer to Petitioner's Petition upon:

Akram Zanayed
Akram Zanayed & Associates
8500 South Harlem Avenue
Suite G
Bridgeview, IL 60455

By email to zanayedlaw@gmail.com on June 28, 2016.



Michael Coveny,
Assistant Attorney General