

ILLINOIS INDEPENDENT TAX TRIBUNAL

IMAD MOSBAH	)	
	)	
Petitioner(s),	)	
	)	
V.	)	
	)	
ILLINOIS DEPARTMENT OF	)	
REVENUE.	)	
	)	
Respondent,	)	

RECEIVED  
MAY 25 2016  
BY: \_\_\_\_\_

*16 TT 108*

**PETITION**

Petitioner(s), IMAD MOSBAH, by and through its attorneys Akram Zanayed and Associates, who are duly authorized to represent Petitioner in this regard pursuant to the Power of Attorney attached hereto as Exhibit "A", complains of Respondent, Illinois Department of Revenue, as follows:

**PARTIES**

1. Petitioner(s), IMAD MOSBAH, ("Petitioner(s)"), is an individual residing in the State of Illinois.
2. Petitioner's place of location is at 17W281 KARBAN ROAD, OAKBROOK TERRACE, IL 60181.
3. Petitioner's telephone number is (630) 880-4445.
4. Petitioner's federal identification number is XXX-XX-9358.
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.

## **JURISDICTION**

6. Petitioner(s) brings action pursuant to the Illinois Independent Tax Tribunal Act (“Tribunal Act”), 35 ILCS 10101-1 to 35 ILCS 10101-100.
7. On or about April 19, 2016, the Department issued three Notices of Deficiency to Petitioner(s) asserting additional tax due in the amounts of \$11,864.33 for the reporting period of December 2011, \$18,274.17 for the reporting period of December 2012 and \$18,118.67 for the reporting period of December 2013 for a total of \$48,257.17 (A copy of the notices are attached hereto and incorporated herein as Exhibit “B”).
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 April 19, 2016 notices, where the amount at issue exceeds \$15,000.00, exclusive of penalties and interest.

## **BACKGROUND**

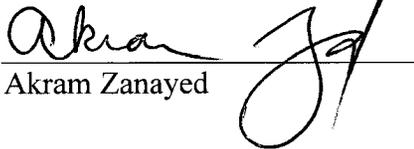
9. Petitioner(s) is an individual filing yearly income tax returns.
10. Petitioner(s) timely filed all tax returns and paid all amounts due on a regular and timely basis.

## **PROCEDURAL HISTORY**

11. At some point before April 19, 2016 the Department initiated an income tax audit of the returns filed by the Petitioner(s) for the reporting period of December 2011, December 2012 and December 2013, (the “Audit Period”).
12. The audit was based on a prior sales tax audit performed and currently before this Tribunal.
13. After completing the income tax audit the department determined that the taxpayer underreported income.
14. The department issued an assessment even though the underlying case is in appeal.
15. This matter should be held in abeyance until this matter is settled.

WHEREFORE, Petitioner(s) IMAD MOSBAH, respectfully requests that the Tax Tribunal find and order that any tax, interest and penalties assessed by the Department be abated in full and for such other and further relief as the Tax Tribunal deems appropriate in this matter.

IMAD MOSBAH,  
Petitioner,

By:   
Akram Zanayed

Akram Zanayed  
Akram Zanayed & Associates  
8500 S. Harlem Avenue, Ste. G  
Bridgeview, IL 60455  
708-237-9000  
Zanayedlaw@gmail.com  
Attorney No. 14635



7 Copies of notices and other written communications addressed to the taxpayer in proceedings involving the matters listed on the front of this form should be sent to the following:

**AKRAM ZANAYED**

Name  
**8550 S HARLEM AVE, STE G**  
 Street address  
**BRIDGEVIEW IL 60455**  
 City State ZIP  
**(708) 237-9000**  
 Daytime phone number

Name  
 Street address  
 City State ZIP  
 Daytime phone number

Name  
 Street address  
 City State ZIP  
 Daytime phone number

**Step 3: Complete the following if the power of attorney is granted to an attorney, a certified public accountant, or an enrolled agent**

I declare that I am **not** currently under suspension or disbarment and that I am

- a member in good standing of the bar of the highest court of the jurisdiction indicated below; or
- duly qualified to practice as a certified public accountant in the jurisdiction indicated below; or
- enrolled as an agent pursuant to the requirements of United States Treasury Department Circular Number 230.

Check one:  Attorney  C.P.A.  Enrolled agent **ILLINOIS** *[Signature]* **5-17-16**  
 Jurisdiction (state(s), etc.) Signature Date

Check one:  Attorney  C.P.A.  Enrolled agent \_\_\_\_\_  
 Jurisdiction (state(s), etc.) Signature Date

Check one:  Attorney  C.P.A.  Enrolled agent \_\_\_\_\_  
 Jurisdiction (state(s), etc.) Signature Date

**Step 4: Taxpayer's signature**

If signing as a corporate officer, partner, fiduciary, or individual on behalf of the taxpayer, I certify that I have the authority to execute this power of attorney on behalf of the taxpayer.

*[Signature]* **IMAD MOSBAH**  
 Taxpayer's signature Print name Title, if applicable Date

Spouse's signature Print name Title, if applicable Date

If corporation or partnership, signature of officer or partner Print name Title, if applicable Date

**Complete the following if the power of attorney is granted to a person other than an attorney, a certified public accountant, or an enrolled agent**

If the power of attorney is granted to a person other than an attorney, a certified public accountant, or an enrolled agent, this document must be witnessed or notarized below. Please check and complete **one** of the following:

Any person signing as or for the taxpayer

- is known to and this document is signed in the presence of the two disinterested witnesses whose signatures appear here.

\_\_\_\_\_  
 Signature of witness Date

\_\_\_\_\_  
 Signature of witness Date

- appeared this day before a notary public and acknowledged this power of attorney as his or her voluntary act and deed.

\_\_\_\_\_  
 Signature of notary Date

**Notary seal**



**Notice of Deficiency**  
**for Form IL-1040, Individual Income Tax Return**



April 19, 2016



Letter ID: CNXXX19838811X49

#BWNKMGV  
#CNXX X198 3881 1X49#  
IMAD MOSEBAH  
17W281 KARBAN RD  
OAKBROOK TERRACE IL 60181-4414

Taxpayer ID: XXX-XX-9358  
Audit ID: A1695799296  
Reporting period: December 2011  
Total Deficiency: \$11,608.33  
Balance due: \$11,864.33

We have audited your account for the reporting period listed above. The attached statement explains the computation of your deficiency and the balance due. **Illinois law requires that we notify you of this deficiency and your rights.**

**If you agree to this deficiency**, pay the total balance due as soon as possible to minimize penalty and interest assessed. Make your check payable to the "Illinois Department of Revenue", write your taxpayer ID on your check, and mail a copy of this notice along with your payment.

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

- **If the amount of this tax deficiency, exclusive of penalty and interest is more than \$15,000, or if no tax deficiency 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**, file a protest with us, the Illinois Department of Revenue, within **60 days** of the date of this notice. If you file a protest on time, we must reconsider the proposed deficiency, and if requested, grant you or your authorized representative and administrative hearing. 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. Submit your protest on Form EAR-14, Format for Filing a Protest for Income Tax, (available on our website at [tax.illinois.gov](http://tax.illinois.gov)). If we do not receive your protest within **60 days**, this deficiency will become final. A protest of this notice does not preserve your rights under any other notice.
- **In any case, 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](http://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.

If you have questions, call us at the telephone number shown below.

Sincerely,

Constance Beard  
Director

ILLINOIS DEPARTMENT OF REVENUE  
AUDIT BUREAU  
PO BOX 19012  
SPRINGFIELD IL 62794-9012

(217) 558-4960

# Statement

Date: April 19, 2016  
Name: IMAD MOSBAH  
Taxpayer ID: XXX-XX-9358  
Letter ID: CNXXX19838811X49

The attached EDA-27, Explanation of Adjustments, details your audit adjustments.

## Computation of deficiency

Reporting period: 31-Dec-2011

Adjusted gross income	\$200,700.00
Minus subtractions	
Other income subtractions	-\$8,000.00
Base income	\$194,700.00
Minus exemptions	-\$8,000.00
Net income	\$188,700.00
Tax amount	\$9,435.00
Total Tax (After Recapture of Investment Credits)	\$9,435.00
IL property tax credit	-\$438.00
Tax Due	\$8,997.00
UPIA-5 late-payment penalty (Audit)	\$1,799.40
Plus interest on tax through April 19, 2016	\$811.93
Total deficiency	* \$11,608.33

If you intend to pay under protest, you must pay this total deficiency amount.

## Computation of balance due

Reporting period: 31-Dec-2011

Deficiency (this notice)	\$11,608.33
Refunds	\$256.00
Balance due	* \$11,864.33

**Notice of Deficiency**  
for Form IL-1040, Individual Income Tax Return



April 19, 2016



Letter ID: CNXXXX7816254241

#BWNKMGV  
#CNXX XX78 1625 4241#  
IMAD MOSBAH  
17W281 KARBAN RD  
OAKBROOK TERRACE IL 60181-4414

**Taxpayer ID:** XXX-XX-9358  
**Audit ID:** A1695799296  
**Reporting period:** December 2012  
**Total Deficiency:** \$18,274.17  
**Balance due:** \$18,274.17

We have audited your account for the reporting period listed above. The attached statement explains the computation of your deficiency and the balance due. Illinois law requires that we notify you of this deficiency and your rights.

If you agree to this deficiency, pay the total balance due as soon as possible to minimize penalty and interest assessed. Make your check payable to the "Illinois Department of Revenue", write your taxpayer ID on your check, and mail a copy of this notice along with your payment.

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

- If the amount of this tax deficiency, exclusive of penalty and interest is more than \$15,000, or if no tax deficiency 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, file a protest with us, the Illinois Department of Revenue, within 60 days of the date of this notice. If you file a protest on time, we must reconsider the proposed deficiency, and if requested, grant you or your authorized representative and administrative hearing. 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. Submit your protest on Form EAR-14, Format for Filing a Protest for Income Tax, (available on our website at tax.illinois.gov). If we do not receive your protest within 60 days, this deficiency will become final. A protest of this notice does not preserve your rights under any other notice.
- In any case, 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.

If you have questions, call us at the telephone number shown below.

Sincerely,

Constance Beard  
Director

ILLINOIS DEPARTMENT OF REVENUE  
AUDIT BUREAU  
PO BOX 19012  
SPRINGFIELD IL 62794-9012

(217) 558-4960

# Statement

Date: April 19, 2016  
Name: IMAD MOSBAH  
Taxpayer ID: XXX-XX-9358  
Letter ID: CNXXXX7816254241

The attached EDA-27, Explanation of Adjustments, details your audit adjustments.

## Computation of deficiency

Reporting period: 31-Dec-2012

Adjusted gross income	\$307,153.00
Minus subtractions	
Other income subtractions	-\$3,000.00
Base income	\$304,153.00
Minus exemptions	-\$6,150.00
Net income	\$298,003.00
Tax amount	\$14,900.00
Total Tax (After Recapture of Investment Credits)	\$14,900.00
Credits	
IL property tax credit	-\$500.00
Tax Due	\$14,400.00
UPIA-5 late-payment penalty (Audit)	\$2,880.00
Plus interest on tax through April 19, 2016	\$994.17
Total deficiency	* \$18,274.17

If you intend to pay under protest, you must pay this total deficiency amount.

## Computation of balance due

Reporting period: 31-Dec-2012

Deficiency (this notice)	\$18,274.17
Minus Estimated payments	-\$1,500.00
Minus Earned income credit	-\$382.00
Refunds	\$1,882.00
Balance due	* \$18,274.17

**Notice of Deficiency**  
for Form IL-1040, Individual Income Tax Return



April 19, 2016



Letter ID: CNXXX1X44357XX84

#BWNKMGV  
#CNXX X1X4 4357 XX84#  
IMAD MOSBAH  
17W281 KARBAN RD  
OAKBROOK TERRACE IL 60181-4414

Taxpayer ID: XXX-XX-9358  
Audit ID: A1695799296  
Reporting period: December 2013  
Total Deficiency: \$18,118.67  
Balance due: \$18,118.67

We have audited your account for the reporting period listed above. The attached statement explains the computation of your deficiency and the balance due. **Illinois law requires that we notify you of this deficiency and your rights.**

If you agree to this deficiency, pay the total balance due as soon as possible to minimize penalty and interest assessed. Make your check payable to the "Illinois Department of Revenue", write your taxpayer ID on your check, and mail a copy of this notice along with your payment.

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

- If the amount of this tax deficiency, exclusive of penalty and interest is more than \$15,000, or if no tax deficiency 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, file a protest with us, the Illinois Department of Revenue, within 60 days of the date of this notice. If you file a protest on time, we must reconsider the proposed deficiency, and if requested, grant you or your authorized representative and administrative hearing. 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. Submit your protest on Form EAR-14, Format for Filing a Protest for Income Tax, (available on our website at [tax.illinois.gov](http://tax.illinois.gov)). If we do not receive your protest within 60 days, this deficiency will become final. A protest of this notice does not preserve your rights under any other notice.
- In any case, 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](http://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.

If you have questions, call us at the telephone number shown below.

Sincerely,

Constance Beard  
Director

ILLINOIS DEPARTMENT OF REVENUE  
AUDIT BUREAU  
PO BOX 19012  
SPRINGFIELD IL 62794-9012

(217) 558-4960

## Statement

Date: April 19, 2016  
Name: IMAD MOSBAH  
Taxpayer ID: XXX-XX-9358  
Letter ID: CNXXX1X44357XX84

The attached EDA-27, Explanation of Adjustments, details your audit adjustments.

### Computation of deficiency

Reporting period: 31-Dec-2013

Adjusted gross income	\$301,940.00
Minus subtractions	
Other income subtractions	-\$8,000.00
Base income	\$295,940.00
Minus exemptions	-\$8,400.00
Net income	\$287,540.00
Tax amount	\$14,377.00
Total Tax (After Recapture of Investment Credits)	\$14,377.00
Tax Due	\$14,377.00
UPIA-5 late-payment penalty (Audit)	\$2,875.00
Plus interest on tax through April 19, 2016	\$866.67
Total deficiency	* \$18,118.67

If you intend to pay under protest, you must pay this total deficiency amount.

### Computation of balance due

Reporting period: 31-Dec-2013

Deficiency (this notice)	\$18,118.67
Minus Earned income credit	-\$604.00
Refunds	\$604.00
Balance due	* \$18,118.67

# Explanation of Audit Adjustments

## Income Tax



April 19, 2016

#BWNKMGV  
#CNXX XX5X 7486 X969#  
IMAD MOSBAH  
17W281 KARBAN RD  
OAKBROOK TERRACE IL 60181-4414



Letter ID: CNXXXX5X7486X969

Taxpayer ID: XXX-XX-9358  
Account ID: P08671312  
Audit ID: A1695799296  
Reporting period: December 2012

### Explanation of adjustments for tax period ending 12/31/2012

We obtained information from the Internal Revenue Service under authorization of the Internal Revenue Code, Section 6103(d), and computed your Illinois Tax liability based on that information.

We determined that you did not pay income tax on income you received.  
[35 ILCS 5/201]

We determined the correct education expense credit allowable by Illinois law.  
[35 ILCS 5/201(m)]

We determined the correct earned income credit allowable by Illinois law.  
[35 ILCS 5/212(a)]

Interest on tax has been computed as allowed by Illinois law.  
[35 ILCS 735/3-2]

We are imposing a penalty because you did not pay the amount required to be shown due on your return by the due date for payment. Once an audit has been initiated, the late payment penalty is assessed at 15 percent of the late payment. Failure to pay the amount due or invoke protest rights within 30 days from the "Date of Issuance" on the Form IL-870, Waiver of Restrictions, will result in this penalty increasing to 20 percent.  
[35 ILCS 735/3-3(b-20)(2)]

	<u>Income change</u>	<u>Tax impact</u>
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	\$295,321.00	\$14,766.00
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	\$0.00	-\$366.00
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	\$0.00	\$362.00
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# Explanation of Audit Adjustments

## Income Tax



April 19, 2016

#BWVKMGV  
#CNXX X152 8429 3284#  
IMAD MOSBAH  
17W281 KARBAN RD  
OAKBROOK TERRACE IL 60181-4414



Letter ID: CNXXX15284293284

Taxpayer ID: XXX-XX-9358  
Account ID: P08671312  
Audit ID: A1695799296  
Reporting period: December 2011

### Explanation of adjustments for tax period ending 12/31/2011

We determined that you did not pay income tax on income you received.  
[35 ILCS 5/201]

<u>Income change</u>	<u>Tax impact</u>
\$187,651.00	\$9,383.00

We determined the correct earned income credit allowable by Illinois law.  
[35 ILCS 5/212(a)]

\$0.00	\$256.00
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Interest on tax has been computed as allowed by Illinois law.  
[35 ILCS 735/3-2]

We are imposing a penalty because you did not pay the amount required to be shown due on your return by the due date for payment. Once an audit has been initiated, the late payment penalty is assessed at 15 percent of the late payment. Failure to pay the amount due or invoke protest rights within 30 days from the "Date of Issuance" on the Form IL-870, Waiver of Restrictions, will result in this penalty increasing to 20 percent.  
[35 ILCS 735/3-3(b-20)(2)]