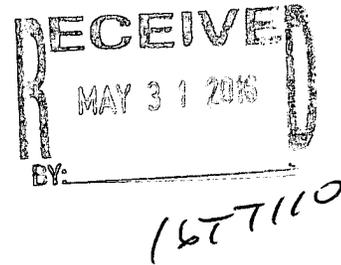


ILLINOIS INDEPENDENT
TAX TRIBUNAL

Hincky Dinks, Ltd.,)
)
 Petitioner,)
)
 v.)
)
 ILLINOIS DEPARTMENT)
 OF REVENUE,)
)
 Respondent.)



PETITION

The Petitioner, Hincky Dinks, Ltd., hereby petitions the Illinois Independent Tax Tribunal to review and reverse and/or modify the Notices of Tax Liability, Notices of Penalty Liability, (“Notice”) issued by the Illinois Department of Revenue (“Department”), for the reasons stated below:

INTRODUCTION

1. The “Notices” were issued by the Department on February 10, 2016, assessing the amount of \$55,817.43 in tax, along with penalties and interest for taxable periods 03/2010 – 03/2012. Copies of the “Notices” are attached to this Petition.
2. Petitioner is a corporation, with its principal place of business in Chicago, Illinois.
3. It is located at 3243 W. 111th Street, Chicago, IL 60655, and its telephone number is (773) 445-1598. The Taxpayer Account ID number is 36-3585163.

4. The amounts assessed per the audit are based on the sales tax audits for the same periods which said assessed figures are under petition with this panel and in settlement negotiations to significantly reduce the assessment and thusly, the tax due per this audit is grossly overstated.

BACKGROUND AND RELEVANT FACTS

5. Petitioner did not have a computerized cash register system prior to January 1, 2013, and relied on a manual nightly revenue system. During the relevant audit period when the Petitioner's revenues were down by approximately 15-40%, the audit estimates derived gross receipts numbers inflate the actual revenue numbers drastically.

6. Petitioner filed returns for taxable period 7/1/2010 - 12/31/12.

7. Petitioner has been assessed business income tax based on the audited sales tax gross sales figures. Said figures are currently under protest before this Tribunal in case number 15TT56 and should be settled in the near term.

ERROR I

8. The assessments estimated sales figures and income figures are greatly inflated and therefore the amount of tax alleged to be owing is in error.

CONCLUSION AND RELIEF REQUESTED

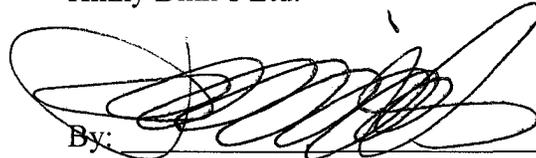
9. The Petitioner requests the notice of tax liability issued February 10, 2016 is in error and its assessment be modified or cancelled.

10. The Petitioner also requests the filing fee herein be waived as this matter is wholly derivative from case number 15 TT 56 and as such the fee is excessive and unduly burdens the Petitioner.

WHEREAS, Petitioner requests that the "Notice" be modified or canceled for the reasons contained herein.

NAME OF PETITIONER

Hinky Dink's Ltd.



By: _____
Patrick M. Hincks, one of the Attorneys
Representing Petitioner.

Representatives:

Patrick H. Hincks
Sullivan Hincks & Conway
120 W. 22nd Street, Suite 100
Oak Brook, IL 60523
Ph: (630) 573-5021
pathincks@shlawfirm.com
ARDC# 6202489

Notice of Deficiency

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



February 10, 2016



Letter ID: CNXXXX9811136167

#BWNKMGV
#CNXX XX98 1113 6167#
HINKY DINKS LTD
HINKY DINKS PUB
3243 W 111TH ST
CHICAGO IL 60655-2730

Taxpayer ID: 36-3585163
Audit ID: A419219456
Reporting period: March 2012
Total Deficiency: \$25,969.45
Balance due: \$25,969.45

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: February 10, 2016
Name: HINKY DINKS LTD
Taxpayer ID: 36-3585163
Letter ID: CNXXXX4X3888X163

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

Computation of deficiency

Reporting period: 31-Mar-2010

Income or loss	
Federal taxable income	\$199,727.00
Net operating loss deduction	\$0.00
Other additions	\$0.00
Income or loss	\$199,727.00
Income allocable to Illinois	
Non-business income or loss	\$0.00
Non-unitary partnership bus. income or loss	\$0.00
Business income or loss	\$199,727.00
Apportionment formula	
Total sales everywhere	\$0.00
Total Illinois sales	\$0.00
Apportionment factor	1.000000
Business income/loss apportionable to IL	\$0.00
Nonbusiness income/loss allocable to IL	\$0.00
Non-unitary part, business income app. to IL	\$0.00
Base income or net loss allocable to IL	\$0.00
Net income	
Base income or net loss	\$199,727.00
IL net loss deduction (NLD)	\$98,837.00
Income after NLD	\$100,890.00
Net income	\$100,890.00
Net replacement tax	
Replacement tax	\$2,522.00
Recapture of investment credits	\$0.00
Replacement tax before credits	\$2,522.00
Replacement tax investment credits	\$0.00
Net replacement tax	\$2,522.00
Net income tax	
Income tax	\$4,843.00
Recapture of investment credits	\$0.00
Income tax before credits	\$4,843.00
Income tax investment credits	\$0.00
Net income tax	\$4,843.00
Refund or balance due	
Net replacement tax	\$2,522.00

Statement

Date: February 10, 2016
Name: HINKY DINKS LTD
Taxpayer ID: 36-3585163
Letter ID: CNXXXX15X61928X9

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

Computation of deficiency

Reporting period: 31-Mar-2011

Income or loss	
Federal taxable income	\$191,614.00
Net operating loss deduction	\$3,604.00
Other additions	\$0.00
Income allocable to Illinois	
Non-business income or loss	\$0.00
Non-unitary partnership bus. income or loss	\$0.00
Business income or loss	\$195,218.00
Apportionment formula	
Total sales everywhere	\$0.00
Total Illinois sales	\$0.00
Apportionment factor	1.000000
Business income/loss apportionable to IL	\$0.00
Nonbusiness income/loss allocable to IL	\$0.00
Non-unitary part. business income app. to IL	\$0.00
Base income or net loss allocable to IL	\$0.00
Net income	
Base income or net loss	\$195,218.00
IL net loss deduction (NLD)	\$0.00
Net income	\$195,218.00
Net replacement tax	
Replacement tax	\$4,880.00
Recapture of investment credits	\$0.00
Replacement tax before credits	\$4,880.00
Replacement tax investment credits	\$0.00
Net replacement tax	\$4,880.00
Net income tax	
Income tax	\$10,430.00
Recapture of investment credits	\$0.00
Income tax before credits	\$10,430.00
Income tax investment credits	\$0.00
Net income tax	\$10,430.00
Refund or balance due	
Net replacement tax	\$4,880.00
Net income tax	\$10,430.00

Statement

Date: February 10, 2016
Name: HINKY DINKS LTD
Taxpayer ID: 36-3585163
Letter ID: CNXXXX9811136167

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

Computation of deficiency

Reporting period: 31-Mar-2012

Income or loss	
Federal taxable income	\$213,618.00
Net operating loss deduction	\$12,427.00
Other additions	\$0.00
Income allocable to Illinois	
Non-business income or loss	\$0.00
Non-unitary partnership bus. income or loss	\$0.00
Business income or loss	\$226,045.00
Apportionment formula	
Total sales everywhere	\$0.00
Total Illinois sales	\$0.00
Apportionment factor	1.000000
Business income/loss apportionable to IL	\$0.00
Nonbusiness income/loss allocable to IL	\$0.00
Non-unitary part. business income app. to IL	\$0.00
Base income or net loss allocable to IL	\$0.00
Net income	
Base income or net loss	\$226,045.00
IL net loss deduction (NLD)	\$0.00
Net income	\$226,045.00
Net replacement tax	
Replacement tax	\$5,651.00
Recapture of investment credits	\$0.00
Replacement tax before credits	\$5,651.00
Replacement tax investment credits	\$0.00
Net replacement tax	\$5,651.00
Net income tax	
Income tax	\$15,823.00
Recapture of investment credits	\$0.00
Income tax before credits	\$15,823.00
Income tax investment credits	\$0.00
Net income tax	\$15,823.00
Refund or balance due	
Net replacement tax	\$5,651.00
Net income tax	\$15,823.00

Notice of Deficiency

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



February 10, 2016



Letter ID: CNXXXX4X3888X163

#BWNKMGV
#CNXX XX4X 3888 X163#
HINKY DINKS LTD
HINKY DINKS PUB
3243 W 111TH ST
CHICAGO IL 60655-2730

Taxpayer ID: 36-3585163
Audit ID: A419219456
Reporting period: March 2010
Total Deficiency: \$10,091.66
Balance due: \$10,091.66

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

Explanation of Audit Adjustments

Income Tax



February 10, 2016

#BWNKMGV
#CNXX X151 7984 5289#
HINKY DINKS LTD
HINKY DINKS PUB
3243 W 111TH ST
CHICAGO IL 60655-2730



Letter ID: CNXXX15179845289

Taxpayer ID: 36-3585163
Account ID: 01931-61216
Audit ID: A419219456
Reporting period: March 2010

Explanation of adjustments for tax period ending 03/31/2010

We have determined that you were required to file an income tax return. Since you did not file a return, we have computed your Illinois Income Tax liability based on the information that we have available.

[35 ILCS 5/502(a), 904(b)]

We adjusted your Illinois net loss deduction to the amount allowable under Illinois law.

[35 ILCS 5/207]

Interest on tax has been computed as allowed by Illinois law.

[35 ILCS 735/3-2]

We are imposing a late-filing or nonfiling penalty because you did not file a processable return by the due date (including any extensions). This penalty is figured at the rate of 2 percent of the amount of tax required to be shown due on your return, after subtracting any payments made or credits allowed by the due date of the return. This penalty cannot exceed \$250.

[35 ILCS 735/3-3(a-10)]

We are imposing a penalty because you did not make your required estimated tax payments or pay the required amount of estimated tax payment by the payment due date. This penalty is based on the amount shown due on your return, minus timely payments and timely credits. This penalty is figured at increasing rates based on the number of days your payment is late. The penalty rates are

- 2 percent of any amount that is paid no later than 30 days after the due date;
- 10 percent of any amount that is paid later than 30 days after the due date.

[35 ILCS 735/3-3(b-20)(1)]

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)]

Income change

\$199,727.00

Tax impact

\$7,365.00

Notice of Deficiency

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



February 10, 2016



Letter ID: CNXXXX15X61928X9

#BWNKMGV
#CNXX XX15 X619 28X9#
HINKY DINKS LTD
HINKY DINKS PUB
3243 W 111TH ST
CHICAGO IL 60655-2730

Taxpayer ID: 36-3585163
Audit ID: A419219456
Reporting period: March 2011
Total Deficiency: \$19,756.32
Balance due: \$19,756.32

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

Explanation of Audit Adjustments

Income Tax



February 10, 2016

#BWNKMGV
#CNXX XX26 6173 2XX8#
HINKY DINKS LTD
HINKY DINKS PUB
3243 W 111TH ST
CHICAGO IL 60655-2730



Letter ID: CNXXXX2661732XX8

Taxpayer ID: 36-3585163
Account ID: 01931-61216
Audit ID: A419219456
Reporting period: March 2012

Explanation of adjustments for tax period ending 03/31/2012

We adjusted your Illinois net income or loss to correctly include income you failed to report, based on a review of your Illinois Sales Tax returns.

[35 ILCS 5/203(b)(1), (c)(1), (d)(1)]

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)]

Income change

\$213,618.00

Tax impact

\$20,293.00

Explanation of Audit Adjustments

Income Tax



February 10, 2016

#BWNKMGV
#CNXX X189 513X 2562#
HINKY DINKS LTD
HINKY DINKS PUB
3243 W 111TH ST
CHICAGO IL 60655-2730



Letter ID: CNXXX189513X2562

Taxpayer ID: 36-3585163
Account ID: 01931-61216
Audit ID: A419219456
Reporting period: March 2011

Explanation of adjustments for tax period ending 03/31/2011

We adjusted your Illinois net income or loss to correctly include income you failed to report, based on a review of your Illinois Sales Tax returns.

[35 ILCS 5/203(b)(1), (c)(1), (d)(1)]

Interest on tax has been computed as allowed by Illinois law.

[35ILCS 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)]

Income change

\$191,614.00

Tax impact

\$15,027.00