

IN THE ILLINOIS INDEPENDENT TAX TRIBUNAL

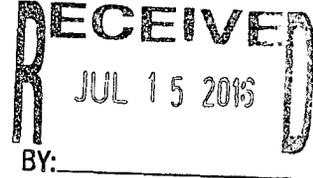
FA PRIVATE EQUITY FUND IV, L.P.,

Petitioner,

v.

THE ILLINOIS DEPARTMENT OF REVENUE,

Defendant.



16TT/41

NOTICE OF FILING

To: Illinois Department of Revenue
Office of Legal Services
100 W. Randolph St., 7-900
Chicago, IL 60601

PLEASE TAKE NOTICE that on the 15th day of July, 2016, we filed with the Illinois Independent Tax Tribunal, 160 N. LaSalle Street, Room N506, Chicago, IL 60601, FA Private Equity Fund IV, L.P.'s Petition, a copy of which accompanies this notice and is served on you herewith.

Respectfully submitted,

FA Private Equity Fund IV, L.P.

Jennifer A. Zimmerman

Jordan M. Goodman
Jennifer A. Zimmerman
Horwood Marcus & Berk Chartered
500 West Madison St., Ste 3700
Chicago, Illinois 60661
(312) 606-3200

CERTIFICATE OF SERVICE

Undersigned counsel of record hereby certifies that she caused a copy of the foregoing **Notice of Filing** to be served upon other counsel of record herein by electronic mail and by enclosing the same in an envelope, properly addressed, first-class postage prepaid and deposited in the US Mail at 500 West Madison Street, Chicago, Illinois, 60661, before the hour of 5:00 p.m. on the 15th day of July, 2016.

James R. Reynolds
Illinois Department of Revenue
100 W. Randolph St., 7-900
Chicago, IL 60601
James.R.Reynolds@Illinois.gov

A handwritten signature in black ink, consisting of a large, stylized 'J' and 'R' followed by a long horizontal line extending to the right. The signature is written over a thin horizontal line.

IN THE ILLINOIS INDEPENDENT TAX TRIBUNAL

FA PRIVATE EQUITY FUND IV, L.P.,)
)
) Petitioner,)
)
) v.)
)
) THE ILLINOIS DEPARTMENT OF REVENUE,)
)
) Defendant.)

No.

RECEIVED
JUL 15 2016
BY: _____
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PETITION

Petitioner, FA Private Equity Fund IV, L.P., (“Petitioner”), by and through its attorneys, Horwood Marcus & Berk Chartered, complains of the Defendant, the Illinois Department of Revenue (“Department”), and alleges as follows:

JURISDICTION

1. 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.
2. This Tribunal has jurisdiction over this matter pursuant to Sections 1-45 and 1-50 of the Tribunal Act because this matter involves a Notice of Deficiency (“Notice”) issued by the Department on December 9, 2014 to Petitioner, assessing Illinois Replacement Income Tax (“replacement tax”) in excess of \$15,000, exclusive of penalties and interest.
3. The Department’s Notice is for the total amount of \$423,629.63 consisting of replacement tax in the amount of \$329,268 and penalties and interest in the amount of \$94,361.63 for the 2010 tax year (“Year at Issue”). A copy of the Notice is attached as Exhibit A.

4. Petitioner never received a copy of the Notice and first learned of it in May of 2016 as a result of \$433,701.59 being withdrawn from Petitioner's bank account pursuant to a Levy Collection Action issued by the Department to Petitioner's bank for the Year at Issue.
5. Pursuant to Illinois Regulation Section 200.175, Petitioner requested that the Department's Office of Administrative Hearing's Chief Administrative Law Judge grant discretionary review of the Notice, despite Petitioner's failure to timely protest. A copy of Petitioner's request to the Chief Administrative Law Judge is attached as Exhibit B.
6. By letter dated July 5, 2016, the Chief Administrative Law Judge granted Petitioner's request for a discretionary review of the Notice. A copy of the July 5, 2016 letter is attached as Exhibit C.

PARTIES

7. Petitioner is a Delaware limited partnership headquartered at 1 South Wacker Drive, Suite 3900, Chicago, Illinois 60606.
8. Petitioner is represented by Horwood Marcus & Berk Chartered attorneys Jordan M. Goodman and Jennifer A. Zimmerman located at 500 West Madison St., Suite 3700, Chicago, Illinois 60661, and can be reached at 312-606-3225 or jgoodman@hmblaw.com; and 312-606-3247 or jzimmerman@hmblaw.com, respectively.
9. Petitioner's FEIN is 36-4432547.
10. 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.

BACKGROUND

11. Petitioner is an "investment partnership" as defined in 35 ILCS § 5/1501(a)(11.5).

12. Specifically, no less than 90% of the Petitioner's cost of its total assets consists of qualifying investment securities, deposits at banks or other financial institutions.
13. No less than 90% of Petitioner's gross income consists of interest, dividends, and gains from the sale or exchange of qualifying investment securities.
14. Petitioner is not a dealer in qualifying investment securities.
15. Petitioner did not file a Form IL-1065, Partnership Replacement Tax Return, for the Year at Issue.
16. Unbeknownst to Petitioner, the Department conducted a desk audit of Petitioner for Year at Issue.
17. The audit was based on Petitioner's federal return since there was no return filed in Illinois for the Year at Issue.
18. 100% of the Petitioner's income for the Year at Issue was allocated to Illinois.
19. Petitioner did not receive any written or oral communication from the Department during the entire audit process.
20. The Department opened up a collections case against Petitioner in April 2015 for the Year at Issue that culminated with the issuance of a Levy Collection Notice to Petitioner's bank in January 2016.
21. Petitioner did not receive any written or oral communication from the Department during the entire collection process.
22. On February 23, 2016, pursuant to the Levy Collection Action, Petitioner's bank withdrew \$433,701.59 from Petitioner's account which Petitioner assumes has been transferred to the Department.

COUNT I

Petitioner is an Investment Partnership Not Subject to the Replacement Tax

23. Petitioner realleges and incorporates by this reference the allegations made in paragraphs 1 through 22.
24. Illinois law defines the term “investment partnership” as any entity that is treated as a partnership for federal income tax purposes that meets the following requirements: (i) no less than 90% of the partnership's cost of its total assets consists of qualifying investment securities, deposits at banks or other financial institutions, and office space and equipment reasonably necessary to carry on its activities as an investment partnership; (ii) no less than 90% of its gross income consists of interest, dividends, and gains from the sale or exchange of qualifying investment securities; and (iii) the partnership is not a dealer in qualifying investment securities. 35 ILCS § 5/1501(a)(11.5).
25. In this case, Petitioner meets all three of the statutory requirements of the “investment partnership” definition.
26. Illinois law provides that investment partnerships are not subject to the Illinois replacement tax. 35 ILCS § 5/205(b).
27. Investment partnerships are also not required to withhold tax from partners or file a Form IL-1065, Partnership Replacement Tax Return. 35 ILCS § 5/709.5(a), Instructions to Form IL-1065.
28. Because Petitioner is an investment partnership, Petitioner is not subject to the Illinois replacement tax, and was not required to file a Form IL-1065, Partnership Replacement Tax Return, or withhold tax on behalf of any of its partners for the Year at Issue.

29. The Department erred in issuing an assessment for the Year at Issue and levying Petitioner's bank account for replacement tax, penalty and interest which were never properly due.

WHEREFORE, Petitioner prays that this Tribunal enter an Order that:

- a. finds and declares that the Petitioner is an investment partnership and not subject to the Illinois replacement tax;
- b. finds and declares that the Department erroneously issued its Notice and Levy Collection Notice;
- c. finds and declares that the Department must refund \$433,701.59, the amount of which was erroneously collected from Petitioner's bank; and
- d. grants such further relief as this Tribunal deems appropriate under the circumstances.

Respectfully submitted,

**FA Private Equity Fund IV, L.P.,
Petitioner**

By: 

One of its Attorneys

Jordan M. Goodman
Jennifer A. Zimmerman
HORWOOD MARCUS & BERK CHARTERED
500 West Madison Street, Suite 3700
Chicago, Illinois 60661
(312) 606-3200

EXHIBIT A

Notice of Deficiency for Form IL-1065, Partnership Replacement Tax Return



December 29, 2014



Letter ID: CNXXX12537961122

#BWNKMGV
#CNXX X125 3796 1122#
FA PRIVATE EQUITY FUND IV LP
1 S WACKER DR
CHICAGO IL 60606-4614

Taxpayer ID: 36-4432547
Reporting period: December 2010
Total Deficiency: \$423,669.63
Balance due: \$423,669.63



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, you must pay the total balance due as soon as possible to minimize penalty and interest assessed. Make your check payable to "Illinois Department of Revenue," write your taxpayer ID number 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 this notice. If you file a protest on time, we must reconsider the proposed deficiency, and if requested, grant you or your authorized representative an administrative hearing. An administrative hearing is a formal legal proceeding conducted pursuant to 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 deficiency 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 balance due 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, contact us at the information listed below.

Sincerely,

Brian Hamer
Director

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

217 785-7104

Bankruptcy Information

If you are currently under the protection of the Federal Bankruptcy Court, contact us and provide the bankruptcy number and the bankruptcy court. The bankruptcy automatic stay does not change the fact that you are required to file tax returns.

Taxpayer Bill of Rights

- You have the right to call the Department of Revenue for help in resolving tax problems.
- You have the right to privacy and confidentiality under most tax laws.
- You have the right to respond, within specified time periods, to Department notices by asking questions, paying the amount due, or providing proof to refute the Department's findings.
- You have the right to appeal Department decisions, in many instances, within specified time periods, by asking for Department review, by filing a petition with the Illinois Independent Tax Tribunal, or by filing a complaint in circuit court.
- If you have overpaid your taxes, you have the right to a credit (or, in some cases, a refund) of that overpayment.
- For more information about these rights and other Department procedures, you may contact us. Our contact information is on the front of this notice.

Statement

Date: December 29, 2014
Name: FA PRIVATE EQUITY FUND IV LP
Taxpayer ID: 36-4432547
Letter ID: CNXXX12537961122

Reasons for deficiency

We obtained information from the Internal Revenue Service under authorization of the Internal Revenue Code, Section 6103(d). We determined your correct Illinois Income Tax because you did not file the appropriate Illinois Business Income Tax Return, as required by Illinois law. [35 ILCS 5/502(a), 904(b)]

Penalties

We are imposing a **late-filing or non-filing penalty** because you did not file a processable return by the due date (including any extended due date). 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 is imposed the day after the original due date of your return, including any extended due date. This penalty cannot exceed \$250. [35 ILCS 735/3-3 (a-10)]

We are imposing a **late-payment penalty** because you did not pay the total tax you owe by the original due date of the return, even if you had an extension of time to file. This penalty is based on the amount required to be shown due on your return, minus any 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 but prior to the date the department has initiated an audit or investigation of the taxpayer;
- 20 percent of any amount that is paid later than 30 days and after the date the department has initiated an audit or investigation of the taxpayer; provided the penalty is reduced to 15 percent if the entire amount due is paid not later than 30 days after the department has provided the taxpayer with a form for waiver of restrictions on assessment. [35 ILCS 735/3-3(b-20)(2)]

Interest

Interest has been computed through December 29, 2014.

EXHIBIT B

HORWOOD MARCUS & BERK
Chartered

Attorneys at Law

500 West Madison Street
Suite 3700
Chicago, Illinois 60661

phone: (312) 606-3200
fax: (312) 606-3232

www.saltlawyers.com

Jennifer A. Zimmerman
Direct Dial: (312) 606-3247
Direct Fax: (312) 267-2203
Direct e-mail: jzimmerman@hmbllaw.com

May 16, 2016

REQUEST FOR DISCRETIONARY HEARING

**BY CERTIFIED MAIL (#7015 1730 0001 3563 2246)
RETURN RECEIPT REQUESTED**

Mr. Terry Charlton
Chief Administrative Law Judge
Illinois Department of Revenue
Administrative Hearings Division
James R. Thompson Center
100 West Randolph Street, Level 7
Chicago, IL 60601-3274

**Re: FA Private Equity Fund IV, L.P.
FEIN: 36-4432547
Tax Type: Replacement Tax
Tax Year ending: December 31, 2010**

Dear Mr. Charlton:

FA Private Equity Fund IV, L.P. ("Taxpayer") hereby requests that the Illinois Department of Revenue ("Department"), pursuant to 35 ILCS 5/908 and Illinois Admin. Code Section title 86, sections 200.175 and 5000.310, accept this application for initial review of the above referenced matter. Taxpayer intends to file a petition at the Illinois Independent Tax Tribunal once the Department of Revenue accepts this application. In support of this Request for Discretionary Hearing, the Taxpayer states as follows:

Taxpayer is an "investment partnership" as defined in 35 ILCS § 5/1501(a)(11.5). Investment partnerships such as Taxpayer are not subject to the Illinois replacement tax. 35 ILCS § 5/205(b). Investment partnerships are also not required to withhold tax from partners or file a Form IL-1065, Partnership Replacement Tax Return. Taxpayer did not file a Form IL-1065 for the 2010 tax year.

Unbeknownst to the Taxpayer, the Department conducted a desk audit of Taxpayer for the 2010 tax year. As a result of the audit, the Department erroneously assessed Taxpayer for

Mr. Terry Charlton
May 16, 2016
Page 2

replacement tax of \$329,268 plus interest and penalties. Taxpayer did not receive any written or oral communication from the Department during the entire audit process. Written notices were sent to Taxpayer's street address but did not designate a suite number within Taxpayer's building. Given that Taxpayer's building has 40 stories, the notices were never received by Taxpayer.

The Department opened up a collections case against Taxpayer in April 2015 for the 2010 tax year that culminated with the issuance of a Levy Collection Notice to Taxpayer's bank in January 2016. Yet again, Taxpayer did not receive any written or oral communication from the Department during the entire collection process. On February 23, 2016, pursuant to the Levy Collection Notice, Taxpayer's bank withdrew \$433,701.59 from Taxpayer's account which we assume has been transferred to the Department.

In May 2016, Taxpayer first became aware that the Department had audited Taxpayer for the 2010 tax year, assessed replacement tax plus interest and penalties and engaged in the collection process pursuant to that assessment. Specifically, a representative of Taxpayer reviewed Taxpayer's bank statement on May 10, 2016 which indicated that \$433,701.59 had been withdrawn from Taxpayer's account and immediately contacted the bank. The following day, the bank indicated that the withdrawal was due to a levy on the account and provided Taxpayer's representative with a copy of the Levy Collection Notice. On that same day, Taxpayer's representative contacted a representative of Taxpayer's accounting firm who had no knowledge of the Department's audit for the 2010 tax year. A representative from Taxpayer's accounting firm confirmed that a tax return was not filed in Illinois for Taxpayer. On May 12, 2016, Taxpayer's representative reached out to us, and we were able to receive copies of all of the audit and collection notices on May 13, 2016. We forwarded all of the notices to Taxpayer's representative on May 13, 2016, and that was the first time that Taxpayer was aware that all of the audit and collection notices had been issued.

Pursuant to Illinois regulation section 200.175, the Chief Administrative Law Judge may permit an initial review of a final assessment in the case of failure to timely protest so long as the assessment has not been reduced to judgment and the taxpayer has not made payment in liquidation of the assessment. Regulation section 200.175 further provides that in determining whether to permit an initial review, the Department shall consider factors, such as: (1) the offer of proof with respect to matters of controversy; (2) new evidence and the nature and complexity of the legal issues raised; (3) the diligence of the person seeking the rehearing; and (4) the passage of time between the finalization of the assessment and the request for review.

The nature of the legal issue is such that the Department should grant initial review of the above referenced matter because Taxpayer is an investment partnership and is not liable for the replacement tax which has been remitted by Taxpayer's bank to the Department.

Mr. Terry Charlton
May 16, 2016
Page 3

In addition, approximately one week has passed between the time the Taxpayer reviewed its bank statement and learned of the withdrawal in accordance with the Department's levy (May 10, 2016) and the date that the Taxpayer's counsel has filed this Request for Discretionary Hearing. This factor, which the Department is required by regulation to consider, weighs in the Taxpayer's favor.

Thank you for considering this request for initial review. Please contact me at your earliest convenience should you have any questions. A Power of Attorney is attached.

Very truly yours,


Jennifer A. Zimmerman

JJZ/jjz
Enclosure

cc: Angela Soliz (by e-mail)
Jordan Goodman (by e-mail)
James Jerue (by e-mail)



Illinois Department of Revenue
IL-2848 Power of Attorney

Read this information first

Attach a copy of this form to each specific tax return or item of correspondence for which you are requesting power of attorney. You or your representative may also be required to provide a copy of this form when contacting the Illinois Department of Revenue. If you do not properly complete this form, you will be required to submit a new IL-2848.

Step 1: Complete the following taxpayer information (* Indicates required field)

1 FA Private Equity Fund IV, L.P. Taxpayer's name*
 2 36-4432547 Taxpayer's identification number(s)*
 3 One S. Wacker Dr. Suite 3900 Taxpayer's street address
Chicago IL 60606
 City State ZIP

Step 2: Complete the following information (* Indicates required field)

4 The taxpayer named above appoints the following representatives as attorneys-in-fact:

Jordan M. Goodman Name*
Horwood Marcus & Berk Chtd. Name of firm
600 W. Madison, Suite 3700 Street address*
Chicago IL 60661 City* State* ZIP*
(312) 806-3225 Daytime phone number*
jgoodman@hmbllaw.com E-mail address
All Tax Types All Years
 Specific tax type* Year or period*

Jennifer A. Zimmerman Name*
Horwood Marcus & Berk, Chtd. Name of firm
600 W. Madison, Suite 3700 Street address*
Chicago IL 60661 City* State* ZIP*
(312) 806-3247 Daytime phone number*
jzimmerman@hmbllaw.com E-mail address
All Tax Types All Years
 Specific tax type* Year or period*

Name*
 Name of firm
 Street address*
 City* State* ZIP*
 Daytime phone number*
 E-mail address
 Specific tax type* Year or period*

The attorneys-in-fact named above shall have, subject to revocation, full power and authority to perform any act that the principals can and may perform, including the authority to receive confidential information. If you wish to limit the power of the attorneys-in-fact, specify the actions they may not perform on Line 5.

5 The attorneys-in-fact named above do not have the power to do the following:

Check only the items below you do not wish to grant.

- endorse or collect checks in payment of refunds.
- receive checks in payment of any refund of Illinois taxes, penalties, or interest.
- execute waivers (including offers of waivers) of restrictions on assessment or collection of deficiencies in tax and waivers of notice of disallowance of a claim for credit or refund.
- execute consents extending the statutory period for assessments or collection of taxes.
- delegate authority or substitute another representative.
- file a protest to a proposed assessment.
- execute offers in compromise or settlement of tax liability.
- represent the taxpayer before the Illinois Department of Revenue in all proceedings including hearings (requiring representation by an attorney) pertaining to matters specified above.
- obtain a private letter ruling on behalf of the taxpayer.
- perform other acts. (explain) _____

6 This power of attorney revokes all prior powers of attorney on file with the Illinois Department of Revenue with respect to the same matters and years or periods covered by this form, except for the following:

Name _____
 Street address _____
 City _____ State _____ ZIP _____
 Daytime phone number _____
 Date granted _____

Name _____
 Street address _____
 City _____ State _____ ZIP _____
 Daytime phone number _____
 Date granted _____

Name _____
 Street address _____
 City _____ State _____ ZIP _____
 Daytime phone number _____
 Date granted _____



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:

<u>Jennifer A. Zimmerman</u> Name	_____ Name	_____ Name
<u>600 W. Madison, Suite 3700</u> Street address	_____ Street address	_____ Street address
<u>Chicago IL 60661</u> City State ZIP	_____ City State ZIP	_____ City State ZIP
<u>(312) 606-3247</u> Daytime phone number	_____ Daytime phone number	_____ 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: <input checked="" type="checkbox"/> Attorney <input type="checkbox"/> C.P.A. <input type="checkbox"/> Enrolled agent	<u>Illinois</u> Jurisdiction (state(s), etc.)	<u>[Signature]</u> Signature	<u>5/12/16</u> Date
Check one: <input checked="" type="checkbox"/> Attorney <input type="checkbox"/> C.P.A. <input type="checkbox"/> Enrolled agent	<u>Illinois</u> Jurisdiction (state(s), etc.)	<u>[Signature]</u> Signature	<u>5/12/16</u> Date
Check one: <input type="checkbox"/> Attorney <input type="checkbox"/> C.P.A. <input type="checkbox"/> 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.

<u>[Signature]</u> Taxpayer's signature	<u>F. Oliver Nicklin Jr.</u> Print name	<u>President of GP</u> Title, if applicable	<u>5/12/16</u> 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



EXHIBIT C



**Illinois Department of Revenue
OFFICE OF ADMINISTRATIVE HEARINGS**

Willard Ice Building
101 West Jefferson Street – Level 5SW
Springfield, IL 62702
(217)782-6995

July 5, 2016

Jennifer Zimmerman
Horwood Marcus & Berk Chtd.
500 W. Madison, Suite 3700
Chicago, IL 60661

Re: **Late Discretionary Hearing Granted – Tribunal Jurisdiction**
FA Private Equity Fund IV LP
Account ID: 36-4432547
Notice of Deficiency dated December 29, 2014
Letter ID: CNXXX12537961122

Dear Ms. Zimmerman:

The office of Administrative Hearings of the Illinois Department of Revenue received your request for a late discretionary hearing for FA Private Equity Fund IV LP regarding the above Notice of Deficiency. Based on the information provided in your request, I believe that **it is appropriate to grant your request** for a late discretionary hearing for the above Notice of Deficiency.

The amount of liability at issue for this protest exceeds the statutory amount for which the Department has jurisdiction. For late discretionary hearings that are granted and that exceed the statutory amount, jurisdiction is vested solely in the Illinois Independent Tax Tribunal (Tax Tribunal). See 35 ILCS 1010/1-1 *et seq.*

The Tax Tribunal's rules provide that when a late discretionary hearing is granted and the protest meets the statutory amount, the taxpayer shall file a petition with the Tax Tribunal within 60 days and shall attach a copy of the letter granting the late discretionary hearing.

I recommend that you review the information provided on the Tax Tribunal's website (www.illinois.gov/taxtribunal) and contact them if you have any questions.

Sincerely,

Terry D. Charlton
Chief Administrative Law Judge

TDC:vs

CERTIFICATE OF SERVICE

Undersigned counsel of record hereby certifies that she caused a copy of the foregoing **FA Private Equity Fund IV, L.P. Petition** to be served upon other counsel of record herein by electronic mail and by enclosing the same in an envelope, properly addressed, first-class postage prepaid and deposited in the US Mail at 500 West Madison Street, Chicago, Illinois, 60661, before the hour of 5:00 p.m. on the 15th day of July, 2016.

James R. Reynolds
Illinois Department of Revenue
100 W. Randolph St., 7-900
Chicago, IL 60601
James.R.Reynolds@Illinois.gov

A handwritten signature in black ink, appearing to be 'JR', is written over a horizontal line.