

**ILLINOIS INDEPENDENT
TAX TRIBUNAL**

HINCKY DINKS, LTD.,)	
Petitioner)	
)	
V)	No. 15 TT 5
ILLINOIS DEPARTMENT)	Chief Judge James M. Conway
OF REVENUE,)	
Respondent)	
)	

ANSWER

Now comes the Department of Revenue of the State of Illinois (“the Department”) by and through its attorney, Lisa Madigan, Attorney General of the State of Illinois, and for its Answer to Taxpayer’s Petition states as follows:

1. The “Notice” was issued by the Department on May 7, 2014 assessing in the amount of \$42,243.00 in tax, \$32,339.00 in penalties and \$2,542.13 in interest for taxable periods 07/2010-12/2012. A copy of the “Notice” is attached to this Petition.

ANSWER: The Department admits that the statutory notice at issue is attached to the petition. The Department states that the notice speaks for itself and therefore denies any and all other allegations in paragraph 1 of the petition.

2. Petitioner is a corporation, with its principal place of business in Chicago, Illinois.

ANSWER: The Department admits the allegations in paragraph 2 of the petition.

3. It is located at 3243 W. 111th Street, Chicago, IL 60655, and its telephone number is (773) 445-1598. The Taxpayer account number is 2047-3494.

ANSWER: The Department admits the allegations in paragraph 3 of the petition.

4. The amounts assessed per the audit of gross receipts are significantly greater than actual gross receipts and the “estimated volume of types of purchases greatly increased the gross receipts numbers and thusly, the tax due per audit is incorrect.

ANSWER: The Department denies the allegations in paragraph 4 of the petition.

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 15-40%, the audit estimates derived gross receipts numbers inflate the actual revenue numbers drastically.

ANSWER: The Department admits that Petitioner did not have a computerized cash register system prior to January 1, 2013. The allegations that Petitioner relied on a manual nightly revenue system are vague and are denied. The Department denies the remaining allegations in paragraph 5 of the petition.

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

ANSWER: The Department admits the allegations in paragraph 6 of the petition.

7. Since January 1, 2013, Petitioner does have computerized cash register taxes and the revenues for such subsequent periods are significantly less than the “estimates” per the audit.

ANSWER: The allegations in paragraph 7 of the petition are vague and conclusory and are denied.

8. The audit’s estimated volume of type of purchases greatly inflated actual revenues subject to sales tax and therefore the amount of tax alleged to be owing is in error.

ANSWER: The Department denies the allegations in paragraph 8 of the petition.

9. The assessment of a fraud penalty is in error as derivative from the erroneous sales tax figures.

ANSWER: The Department denies the allegations in paragraph 9 of the petition.

10. The interest per audit is incorrect and not due as the sales tax amount alleged to be owing is in error.

ANSWER: The Department denies the allegations in paragraph 10 of the petition.

11. The Petitioner requests the notice of tax liability issued May 7, 2014 is in error and its assessment be modified or cancelled.

ANSWER: The allegations in paragraph 11 of the petition do not consist of material allegations of fact requiring a response from the Department.

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

- a. denying the prayer for relief in the Petitioner's Petition in its entirety;
- b. finding that the Notice of Tax Liability at issue is correct as issued;
- c. ordering judgment in favor of the Department and against the Petitioner; and granting such further relief as this Tribunal deems appropriate under the circumstances.

Respectfully Submitted,

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