

ILLINOIS INDEPENDENT
TAX TRIBUNAL

G4S Technology LLC, f/k/a G4S NSSC Inc.)
Petitioner,)
v.) PETITION TO CHALLENGE
ILLINOIS USE TAX
ILLINOIS DEPARTMENT)
OF REVENUE,)
Respondent,)



15-7718

PETITION

The Petitioner, G4S Technology LLC f/k/a G4S NSSC Inc., (hereinafter “Petitioner”) hereby petitions the Illinois Independent Tax Tribunal to review, and reverse and/or modify the six Notices of Tax Liability (hereinafter “Notices”) issued by the Illinois Department of Revenue (hereinafter “Department”) on November 24, 2014, for the reasons set forth below.

INTRODUCTION

1. The Petitioner has an address of 701 Willowbrook Centre Parkway, Willowbrook, Illinois 60527, and its telephone number is 630-739-0546.
2. The Petitioner has a Tax Identification Number of 10127-58816.
3. The Department issued a Notice of Tax Liability for Illinois Use Tax dated November 24, 2014 to the Petitioner showing a tax liability assessment of \$2,672.00 in tax, \$587.60 in penalties and \$71.54 in interest for taxable period January 1, 2013 through January 31, 2013. A copy of this Notice is attached to this Petition as Exhibit 1.
4. The Department issued a Notice of Tax Liability for Illinois Use Tax dated November 24, 2014 to the Petitioner showing a tax liability of \$4,008.00 in tax, \$881.40 in penalties and \$107.81 in interest for taxable period March 1, 2013 through March 31, 2013. A copy of this Notice is attached to this Petition as Exhibit 2.

5. The Department issued a Notice of Tax Liability for Illinois Use Tax dated November 24, 2014 to the Petitioner showing a tax liability of \$2,619 in tax, \$575.95 in penalties and \$70.33 in interest for taxable period April 1, 2013 through April 30, 2013. A copy of this Notice is attached to this Petition as Exhibit 3.

6. The Department issued a Notice of Tax Liability for Illinois Use Tax dated November 24, 2014 to the Petitioner showing a tax liability assessment of \$2,638.00 in tax, \$580.90 in penalties and \$71.41 in interest for taxable period May 1, 2013 through May 31, 2013. A copy of this Notice is attached to this Petition as Exhibit 4.

7. The Department issued a Notice of Tax Liability for Illinois Use Tax dated November 24, 2014 to the Petitioner showing a tax liability assessment of \$5,692.00 in tax, \$1,252.60 in penalties and \$153.46 in interest for taxable period August 1, 2013 through August 31, 2013. A copy of this Notice is attached to this Petition as Exhibit 5.

8. The Department issued a Notice of Tax Liability for Illinois Use Tax dated November 24, 2014 to the Petitioner showing a tax liability assessment of \$1,765 in tax, \$388.25 in penalties and \$42.96 in interest for taxable period December 1, 2013 through December 31, 2013. A copy of this Notice is attached to this Petition as Exhibit 6.

9. The Petitioner is a Limited Liability Corporation incorporated in Delaware with a principle place of business located at 1200 Landmark Center, Suite 1300, Omaha, Nebraska 68105. Petitioners phone number is 402-233-7700.

10. The Petitioner argues the purchases referred to in the above referenced notices were for resale. The items purchased were placed into Petitioner's inventory and resold to customers. The Retailers' Occupation Tax provides that sales such as this are not subject to Illinois Use Tax.

BACKGROUND AND RELEVANT FACTS

10. Petitioner merged with G4S Technology LLC, a Delaware Limited Liability Company, effective December 31, 2012. A copy of the Certificate of Merger is attached as Exhibit 7.

11. The Petitioner is registered as a retail or reseller for sales tax with the Illinois Department of Revenue. IBT #3337-2896.

12. On January 2, 2013 Petitioner purchased 200 Interim Insulators to be placed into inventory from Pohlman GMBH & CO. A copy of the purchase invoice is attached as Exhibit 8.

13. On January 25, 2013 Petitioner purchased 300 Interim Insulators to be placed into inventory from Pohlman GMBH & CO. A copy of the purchase invoice is attached as Exhibit 9.

14. On March 28, 2013 Petitioner purchased 500 Interim Insulators to be placed into inventory from Pohlman GMBH & CO. A copy of the purchase invoice is attached as Exhibit 10.

15. On April 14, 2013 Petitioner purchased 500 Interim Insulators to be placed into inventory from Pohlman GMBH & CO. A copy of the purchase invoice is attached as Exhibit 11.

16. On May 6, 2013 Petitioner purchased 500 Interim Insulators to be placed into inventory from Pohlman GMBH & CO. A copy of the purchase invoice is attached as Exhibit 12.

17. On August 27, 2013 Petitioner purchased 500 Interim Insulators to be placed into inventory from Pohlman GMBH & CO. A copy of the purchase invoice is attached as Exhibit 13.

18. On March 27, 2013 Petitioner purchased 60 AC Power Supplies to be placed into inventory from Robert Friedrich. A copy of the purchase invoice is attached as Exhibit 14.

19. On December 13, 2013 Petitioner purchased 2 AC Power Supplies to be placed into inventory from Robert Friedrich.

20. On December 27, 2013 Petitioner purchased 60 AC Power Supplies to be placed into inventory from Robert Friedrich. A copy of the purchase invoice is attached as Exhibit 15.

21. Petitioner re-sold inventory parts to customers throughout 2013 & 2014 and collected Illinois Sales Tax on sales that remained in the state. A copy of inventory sales history and sales invoices are attached as Exhibit 16.

22. Petitioner did not issue the number to the vendors in connection with the sales certifying to the vendors that the sales to the Petitioner are nontaxable on the ground of being a sale for resale.

23. Department asserted that Petitioner should have paid Illinois Use Tax on purchases. A copy of the summary of the Notices is attached as Exhibit 17.

APPLICABLE LAW

24. The Petitioner relies upon the Retailer's Occupation Tax Act (hereinafter "ROTA") 35 ILCS §120 to dispute the above referenced Illinois Use Tax.

25. The Petitioner relies upon the Illinois Department of Revenue Regulations Title 86 Part 130 Section 130.120 Nontaxable Transactions to dispute the above referenced Illinois Use Tax.

ERRORS

26. The Department erred in assessing Illinois Use Tax in the above referenced notices, as the Petitioner held the purchases in inventory and then resold the purchases to customers. Pursuant to the ROTA, the tax does not apply to receipts from sales, "of tangible personal property for purposes of resale in any form as tangible personal property, provided that the purchaser (except in the case of an out-of-State purchaser who will always resell and deliver the property to his customers outside Illinois) has an active registration number or active resale number from the Department and gives the number to the vendor in connection with certifying to the vendor that the sale to the purchaser is nontaxable on the ground of being a sale for resale" *ROTA Title 86 Part 130 Section 130.120 Nontaxable Transactions (c)*.

CONCLUSION AND RELIEF REQUESTED

THEREFORE, the Petitioner is exempt from paying the Illinois Use Tax, penalties, and interest as set forth in the Taxpayer Statements as the items purchased were specifically exempt pursuant to the ROTA as they were purchased for inventory and resold. The Petitioner has provided evidence showing the purchases were placed into inventory and re-sold to its customers. At the time of resale to customers, the Illinois Sales Tax was applied and paid as required.

For the reasons set forth above, the Petitioner respectfully requests the Illinois Use Tax, penalties, and interest in the total amount of Twenty-Four Thousand One Hundred Seventy-Eight Dollars and Twenty-One Cents (\$24,178.21) be cancelled. However, in the alternative, the Petitioner respectfully requests to be able to challenge each Notice of Tax Liability individually

before the Illinois Department of Revenue, as each individual tax assessment is less than Fifteen Thousand Dollars (\$15,000.00).

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "M Rabe", written over a horizontal line.

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