

**ILLINOIS INDEPENDENT  
TAX TRIBUNAL**

2423 North Clark, LLC., )  
 )  
 Petitioner, )  
 )  
 )  
 v. )  
 )  
 Illinois Department of Revenue, )  
 )  
 Respondent. )

No.

**RECEIVED**  
APR 09 2015  
BY: \_\_\_\_\_  
JTT69

**PETITION**

The Petitioner, 2423 North Clark, LLC., an Illinois Limited Liability Company, by and through its attorneys, GEORGE C. PONTIKES of GEORGE C. PONTIKES & ASSOCIATES, P.C., and MO DADKHAH of the DADKHAH LAW GROUP, LLC., hereby petitions the Illinois Independent Tax Tribunal to review and reverse and/or modify the Notice of Tax Liability, issued by the Illinois Department (“Department”), for the reasons stated below:

**INTRODUCTION**

1. The “Final Notice of Tax Due” was issued by the Department on February 19, 2015, assessing 2423 North Clark, LLC in the amount of \$141,708.00 in tax, \$57,653.00 in penalties and \$7,258.38 in interest for the taxable periods July 2011 through June 2013. *A copy of the “Final Notice of Tax Due” is attached to this Petition as Exhibit A.*
2. 2423 North Clark, LLC. is an Illinois Limited Liability Company with its principal place of business in Chicago, Illinois.
3. It is located at 2423 North Clark Street, Chicago, Illinois 60614 and its telephone number is 773.580.0224.
4. The tax payer account number is 3932-5441.
5. The EIN is 26-3214787.

## **BACKGROUND AND RELEVANT FACTS**

6. Reza Toulabi purchased 100% of the membership of 2423 North Clark, LLC. on May 3, 2011.
7. On November 7, 2012, 100% of the membership of 2423 North Clark, LLC. was purchased by Florian Miranzadeh from Reza Toulabi.
8. Florian Miranzadeh only owned the operations of 2423 North Clark, LLC., for approximately six months of the 30-month audit period.
9. 2423 North Clark, LLC., run specials during the 30-month audit period on certain foods sold.
10. A majority or about 80% of the business of 2423 North Clark, LLC., is transacted from credit cards and so sales revenue generated can be traced to a 1099-K Merchant's Statement.
11. 2423 North Clark, LLC. made purchases throughout the period, so that at the end of the 30-month audit period, there was an inventory.
12. 2423 North Clark, LLC. has filed all the required sales and use tax returns and paid all applicable taxes throughout the taxable periods of the 30-month audit.
13. The business of 2423 North Clark, LLC., was closed from January 1, 2011 until July 1, 2011.
14. The business of 2423 North Clark, LLC. was closed from October 1, 2012 until February, 2013.

## **APPLICABLE LAW**

15. Pursuant the Illinois Independent Tax Tribunal Act of 2012, this honorable Tax Tribunal has jurisdiction over said matter:

*"Sec. 1-45. Jurisdiction of the Tax Tribunal.*

(a) Except as provided by the Constitution of the United States, the Constitution of the State of Illinois, or any statutes of this State, including, but not limited to, the State Officers and Employees Money Disposition Act, the Tax Tribunal shall have original jurisdiction over all determinations of the Department reflected on a Notice of Deficiency, Notice of Tax Liability, Notice of Claim Denial, or Notice of Penalty Liability issued under the Illinois Income Tax Act, the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, the Cigarette Tax Act, the Cigarette Use Tax Act, the Tobacco Products Tax Act of 1995, the Hotel Operators'

Occupation Tax Act, the Motor Fuel Tax Law, the Automobile Renting Occupation and Use Tax Act, the Coin-Operated Amusement Device and Redemption Machine Tax Act, the Gas Revenue Tax Act, the Water Company Invested Capital Tax Act, the Telecommunications Excise Tax Act, the Telecommunications Infrastructure Maintenance Fee Act, the Public Utilities Revenue Act, the Electricity Excise Tax Law, the Aircraft Use Tax Law, the Watercraft Use Tax Law, the Gas Use Tax Law, or the Uniform Penalty and Interest Act. Jurisdiction of the Tax Tribunal is limited to Notices of Tax Liability, Notices of Deficiency, Notices of Claim Denial, and Notices of Penalty Liability where the amount at issue in a notice, or the aggregate amount at issue in multiple notices issued for the same tax year or audit period, exceeds \$15,000, exclusive of penalties and interest. In notices solely asserting either an interest or penalty assessment, or both, the Tax Tribunal shall have jurisdiction over cases where the combined total of all penalties or interest assessed exceeds \$15,000. 35 ILCS 1010/1-45.”.

#### **ERROR I**

16. The actual sales conducted by 2423 North Clark, LLC. during the period when it was open and operating its business, during the 30-month audit period, do not support the findings of the Revenue Auditor. *A copy of the “Notice of Audit Results” are attached to this Petition as Exhibit B.*

#### **ERROR II**

17. During the period of time from July 1, 2011 through September 30, 2012, when 2423 North Clark, LLC. was open and conducted business, the sales projected by the Revenue Auditor, during that time period, were based upon purchases of meat and liquor by Reza Toulabi, the Managing Member of 2423 North Clark, LLC. during that time period, which include such purchases for restaurants, other than the restaurant operated by 2423 North Clark, LLC., which other restaurants were owned by Reza Toulabi, during that time period.
18. The Department was aware that they were using sales and purchases for restaurants other than 2423 North Clark Street, LLC, but willfully refused to acknowledge this fact, or edit their audit for accuracy.

### **ERROR III**

19. The Department used the February, 2013 to June, 2013 time period to determine the sales taxes due.
20. The Department used estimates based on a sample of transactions.
21. The Department extrapolated the estimate for one period to the other periods assessed.
22. The Department also used several estimates for vendors that 2423 N Clark Street, LLC., never used from February, 2013 to June, 2013. The Department's auditors were aware of these errors, but once again ignored these facts in an attempt to improperly levy tax liabilities against 2423 N Clark Street, LLC.

### **ERROR IV**

23. The Department determined the sales through a process called "Circulation of Vendors", which allowed them to independently contact vendors of 2423 North Clark, LLC. and ask for the amount of products sold to 2423 North Clark, LLC. for the 30-month audit period.
24. Once the amounts were obtained by the Department, they then reviewed 2423 North Clark, LLC'S prices on its menu and determined the taxes estimating for the 30-month audit period.
25. However, the vendors used were incorrect and incomplete. As mentioned above, the auditors used vendors that 2423 North Clark, LLC never even used.

### **ERROR V**

26. The Department extrapolated on total purchases and did not take into consideration beginning and ending inventory related to purchases made and did not back out purchases/merchandise unsold from their estimated sales revenue figures, used to determine sales tax due for the 30-month audit period.
27. As such, the sales revenue used was incorrect.

### **ERROR VI**

28. The Department did not take into account specials/promotions and did not identify all specials/promotions of 2423 North Clark, LLC. during the 30-month audit period to properly identify the sales revenue generated from regular priced items and sales

generated from specials/promotions.

29. As such, the revenues used only estimates and not actual sales generated by 2423 North Clark, LLC.

#### **ERROR VII**

30. The Department audited approximately thirty months of sales revenue of 2423 North Clark, LLC., but Florian Miranzadeh only owned 2423 North Clark, LLC. for about six months and was operating only five months of the six months owned due to a rehabilitation of the property.
31. 2423 North Clark, LLC. did not operate its business from January 1, 2011 until July 1, 2011.
32. 2423 North Clark, LLC. did not operate its business from October 1, 2012 until February, 2013.

#### **ERROR VIII**

33. The Department did not utilize independent sales verification from the merchant account that processes credit card transactions.
34. The restaurant is in a geographical area in which the overwhelming majority of consumers utilize debit and credit cards.
35. The Department did not obtain independent merchant account information which is easily available.
36. 2423 North Clark, LLC. experiences approximately 80% credit card transactions, versus approximately 20% cash sales and sales information is easily and readily available on 1099-K Merchant's Account.

#### **CONCLUSION AND RELIEF REQUESTED**

The facts mentioned above constitute clear evidence that 2423 North Clark, LLC. is not rightfully obligated to pay the sales tax, plus penalty and interest assessed in the amount of \$206,090.20, since the basis of data used by the Department for sales revenue calculations was inaccurate and incorrect. As such, 2423 North Clark, LLC. respectfully requests that the tax liability be reversed or modified in order for 2423 North Clark, LLC. to resolve this tax issue and renew its business license and make purchases from its vendors.

**WHEREFORE**, Petitioner, 2423 North Clark, LLC., for the reasons contained herein, requests that the "Notice" be reversed or modified, and for any holds on Petitioner's business licenses to be removed.

2423 North Clark, LLC.,

By:   
George C. Pontikes

By:   
Mo Dadkhah

George C. Pontikes  
GEORGE C. PONTIKES & ASSOCIATES, P.C.  
33 N. LaSalle Street, Suite 3350  
Chicago, Illinois 60602  
ARDC No. 2230828

Mo Dadkhah  
DADKHAH LAW GROUP, LLC  
111 East Wacker Drive, Suite 555  
Chicago, Illinois 60601  
ARDC No. 6299591

# EXHIBIT A

# Final Notice of Tax Due

for Form ST-1, Sales and Use Tax and E911 Surcharge Return

STATE OF  
**Illinois**  
 DEPARTMENT OF REVENUE  
 tax.illinois.gov  
 1 800 732-8866  
 217 782-3336

February 19, 2015 TDD 1 800 644-5304



Letter ID: CNXXXX927XX61760

Account ID: 3932-5441  
 Reporting Period: June 2013

#BWNKMGV  
 #CNXX XX92 7XX6 1760#  
 2423 N CLARK STREET LLC  
 2423 N CLARK ST  
 CHICAGO IL 60614-7777



The Notice of Tax Liability issued on December 5, 2014 is final. Any correspondence and/or amended figures received for this liability have been processed.

As a result we have assessed the amounts shown below.

To avoid cost of collection fees, additional penalties and interest for this assessment, you must pay on or before March 23, 2015.

Please use the voucher on the enclosed Taxpayer Statement to make your payment.

	<u>Liability</u>	<u>Payments/Credit</u>	<u>Unpaid Balance</u>
Tax	142,065.00	(357.00)	141,708.00
Late Payment Penalty Increase	28,413.00	0.00	28,413.00
Negligence Penalty	28,413.00	0.00	28,413.00
Late Filing Penalty Increase	827.00	0.00	827.00
Interest	7,258.38	0.00	7,258.38
<b>Assessment Total</b>	<b>\$206,976.38</b>	<b>(\$357.00)</b>	<b>\$206,619.38</b>

For questions, visit our web site or call one of the numbers above

## Penalties and Fees

For detailed information on penalties and rates in effect for specific periods on or after January 1, 1994, see Publication 103.

- 1 **Late-filing or Nonfiling penalty** - You owe this penalty if you do not file a return by the due date, including any extended due date, or you file a return that is not processable and you do not correct it within 30 days of the date we notify you.
- 2 **Late-payment penalty for underpayment of estimated or quarter-monthly tax** - You owe this penalty if you were required to make estimated or quarter-monthly tax payments and failed to do so, or if you failed to pay the required amount by the payment due date.
- 3 **Late-payment penalty for regular tax payments** - You owe this penalty if you did not pay the tax you owed by the original due date of the return.
- 4 **Negligence penalty** - You owe this penalty if, in preparing a return or amended return, you do not make a reasonable attempt to comply with the provisions of any tax act, including showing careless, reckless, or intentional disregard for the law or regulations.
- 5 **Fraud penalty** - You owe this penalty if any part of a deficiency is due to fraud.
- 6 **Cost of collection fee** - You owe this fee if you do not pay the total amount you owe within 30 days after a bill has been issued.
- 7 **Bad check penalty** - You owe this penalty if you send a remittance to the Department that is not honored by your financial institution.
- 8 **Failure to disclose participation in a reportable transaction penalty** - You owe this penalty if you were required to disclose your participation in an abusive tax shelter transaction and did not do so by the required due date.
- 9 **Reportable transaction understatement penalty** - You owe this penalty if you do not report and pay the full amount of your tax liability as the result of participating in an abusive tax shelter transaction.
- 10 **100 percent interest penalty** - You owe this penalty if you
  - were contacted by the Internal Revenue Service or Illinois Department of Revenue regarding the use of a potentially abusive tax transaction for a taxable year;
  - are later found to have a deficiency in that taxable year that is the result of the tax avoidance transaction; and
  - did not report or pay that liability before we issued a Notice of Deficiency.
- 11 **Audit penalty** - You owe this penalty if you did not pay the tax you owed before the start of an audit or investigation.
- 12 **Nonfiling penalty for transaction return** - You owe this penalty if you are a retailer required to file a transaction return (ST-556, Sales Tax Transaction Return) by the due date, even if no tax is due on the return.

### Are penalties ever abated?

If you were unable to either timely pay the required amount of estimated or quarter-monthly payments, pay the tax you owed by the due date, or file your tax return by the extended due date because of a casualty, disaster, or other similar circumstance, you may request a waiver of penalties due to reasonable cause. To request this waiver, send us a detailed explanation of the cause of the delay and any documentation you have to support your request. Reasonable cause will be determined on a case-by-case basis according to our rules and regulations.

### How is interest figured?

Interest is calculated on your tax from the day after the original due date of your return through the date you pay the tax (for certain tax periods interest may also accrue on penalties). Interest accrues at simple rates established by the Internal Revenue Service. See Publication 103 for more information.

## 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, within specified time periods, to file for 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.

# Taxpayer Statement



February 19, 2015 TDD 1 800 544-5304

#BWNKMGV  
#CNXX XX48 4359 44X3#  
2423 N CLARK STREET LLC  
2423 N CLARK ST  
CHICAGO IL 60614-7777



Letter ID: CNXXXX48435944X3

Account ID: 3932-5441  
Total amount due: \$206,619.38



This statement lists our most recent information about your unpaid balance, available credits, or returns you have not filed.  
A payment voucher is included so you may pay the balance due.

Account ID: 3932-5441

### Sales/Use Tax & E911 Surcharge

Period	Tax	Penalty	Interest	Other Payments/Credits	Balance
30-Jun-2013	154 108 00	57 653 00	7 258 38	(12,400.00)	206,619.38

SGA

Retain this portion for your records.

P-001534

Fold and detach on perforation. Return bottom portion with your payment.

## Taxpayer Statement (R-12/08) (136)



Letter ID: CNXXXX48435944X3  
2423 N CLARK STREET LLC

Total amount due: \$206,619.38

Write the amount you are paying below.

\$ \_\_\_\_\_  
Write your Account ID on your check

Mail this voucher and your payment to:  
ILLINOIS DEPARTMENT OF REVENUE  
PO BOX 19006  
SPRINGFIELD IL 62794-9006

000 006 009315596960 731 123199 2 0000020661938

# **EXHIBIT B**

# Taxpayer Statement



February 4, 2015



Letter ID: L0319472912

LINCOLN PARK STADIUM BAR AND G  
2423 N CLARK  
CHICAGO IL 60614

Taxpayer ID: 26-3214787

Total amount due: \$206,444.67

This statement lists our most recent information about your unpaid balance, available credits, or returns you have not filed. A payment voucher is included so you may pay the balance due.

**IL Withholding Income Tax** You have available credits of \$156.86 **Account ID: 26-3214787-000**

Period	Tax	Penalty	Interest	Other	Payments/Credits	Balance
30-Sep-2012	3,171.52	156.86	-	-	(3,485.24)	(156.86)

\* The overpayment shown on the period above may indicate that you did not report the tax you withheld properly on Line 2 of your return. The amount shown in the "Tax" column should be the amount you withheld for the period.

**Sales/Use Tax & E911 Surcharge** **Account ID: 3932-5441**

Period	Tax	Penalty	Interest	Other	Payments/Credits	Balance
30-Jun-2013	154,108.00	57,653.00	7,083.67	-	(12,400.00)	206,444.67

\* \$206,801.67 of this amount is subject to protest.

SOC

Retain this portion for your records.

P-000805

Fold and detach on perforation. Return bottom portion with your payment.

## Taxpayer Statement (R-12/08) (136)



Letter ID: L0319472912  
LINCOLN PARK STADIUM BAR AND G

Total amount due: \$206,444.67

Write the amount you are paying below

\$ \_\_\_\_\_

Write your Taxpayer ID on your check.

Mail this voucher and your payment to:  
ILLINOIS DEPARTMENT OF REVENUE  
PO BOX 19035  
SPRINGFIELD IL 62794-9035

\$206,801.67 is subject to protest.

Do not pay any Income Tax liability that you intend to protest

000 006 016066086568 731 123199 6 0000020644467

**Notice of Audit Results**  
**for Sales, Use, and Excise Taxes and Fees**



October 1, 2014

#BWNKMGV  
#CNXX XXX3 6158 4321#  
2423 N CLARK STREET LLC  
2423 N CLARK ST  
CHICAGO IL 60614-7777



Letter ID: CNXXXXX381584321



**Taxpayer ID:** 26-3214787  
**Account ID:** 3932-5441  
**Audit ID:** A594726912  
**Return type:** ST-1  
**Audit periods:** 01/2011 - 06/2013

Enclosed, please find Form EDA-105-R, ROT Audit Report, showing the additional amount of tax, penalty, and interest that is due as the result of your audit. Interest has been calculated through the "interest through date", October 1, 2014, and will continue to accrue until the additional tax shown due is paid in full.

**Please note, if you sign the audit report you waive the right to seek review by the Informal Conference Board.**

If you want to pay the audit liability or sign Form EDA-105-R, or do both, contact us using the information below for updated interest and penalty calculations.

The late payment penalty amount shown on this audit report has been computed through the "interest through date " If you do not sign Form EDA-105-R, and pay the additional tax shown due within 30 days of the "interest through date", your late payment penalty will increase to \$25001. Failure to sign Form EDA-105-R, will result in the issuance of a Notice of Tax Liability explaining your rights to protest the liability and request an administrative hearing.

If you sign Form EDA-105-R, but do not pay the additional tax shown due, the late payment penalty will increase to \$25001 and a Notice of Tax Assessment will be issued

Mail your payment and the signed Form EDA-105-R, to:

AUDIT BUREAU SPI-A  
ILLINOIS DEPARTMENT OF REVENUE  
PO BOX 19475  
SPRINGFIELD IL 62794-9475

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.

Sincerely,

Mary Piszczor  
Revenue Auditor

ILLINOIS DEPARTMENT OF REVENUE  
9511 W HARRISON STREET, DP-A  
DES PLAINES IL 60016-1523

312 636-9682  
312 636-9682 cell  
847 294-4246 fax  
EDA-143-S (R-01/13)



**Illinois Department of Revenue**  
Sales Tax Audit System  
Schedule 2-B Penalty Computation

Date: 10/01/2014  
Time: 09:16:17  
Page: 2

Taxpayer: 2423 N CLARK STREET LLC IBT: 3932-5441 Audit Period: 01/01/2011 through 06/30/2013  
Tax Type: ROT Interest Thru Date: 10/01/2014

Auditor: Mary T. Piszczor

**Negligence**

<u>Filing Period</u>	<u>Tax Amount</u>	<u>Rate</u>	<u>Penalty</u>		<u>Interest</u>		<u>Total</u>
			<u>Amount</u>	<u>Rate</u>	<u>Amount</u>	<u>Amount</u>	
07/2011	\$3,782.56	20.00%	\$756.51	0.00%	\$0.00	\$756.51	
08/2011	\$3,782.56	20.00%	\$756.51	0.00%	\$0.00	\$756.51	
09/2011	\$3,782.56	20.00%	\$756.51	0.00%	\$0.00	\$756.51	
10/2011	\$3,782.56	20.00%	\$756.51	0.00%	\$0.00	\$756.51	
11/2011	\$3,782.56	20.00%	\$756.51	0.00%	\$0.00	\$756.51	
12/2011	\$3,782.56	20.00%	\$756.51	0.00%	\$0.00	\$756.51	
01/2012	\$4,591.15	20.00%	\$918.23	0.00%	\$0.00	\$918.23	
02/2012	\$4,591.15	20.00%	\$918.23	0.00%	\$0.00	\$918.23	
03/2012	\$4,591.15	20.00%	\$918.23	0.00%	\$0.00	\$918.23	
04/2012	\$4,591.15	20.00%	\$918.23	0.00%	\$0.00	\$918.23	
05/2012	\$4,591.15	20.00%	\$918.23	0.00%	\$0.00	\$918.23	
06/2012	\$4,591.15	20.00%	\$918.23	0.00%	\$0.00	\$918.23	
07/2012	\$4,591.15	20.00%	\$918.23	0.00%	\$0.00	\$918.23	
08/2012	\$4,591.15	20.00%	\$918.23	0.00%	\$0.00	\$918.23	
09/2012	\$4,591.15	20.00%	\$918.23	0.00%	\$0.00	\$918.23	
10/2012	\$4,591.15	20.00%	\$918.23	0.00%	\$0.00	\$918.23	
02/2013	\$11,280.08	20.00%	\$2,256.02	0.00%	\$0.00	\$2,256.02	
03/2013	\$11,280.08	20.00%	\$2,256.02	0.00%	\$0.00	\$2,256.02	
04/2013	\$11,280.08	20.00%	\$2,256.02	0.00%	\$0.00	\$2,256.02	
05/2013	\$11,280.08	20.00%	\$2,256.02	0.00%	\$0.00	\$2,256.02	
06/2013	\$11,280.08	20.00%	\$2,256.02	0.00%	\$0.00	\$2,256.02	
<b>Total Negligence</b>	<b>\$125,007.26</b>		<b>\$25,001.46</b>		<b>\$0.00</b>	<b>\$25,001.46</b>	

**Fraud**

This penalty was not assessed for any periods.

	<u>Penalty</u>	<u>Interest</u>	<u>Total</u>
<b>Grand Total</b>	<b>\$45,007.35</b>	<b>\$0.00</b>	<b>\$45,007.35</b>



Illinois Department of Revenue  
Sales Tax Audit System  
Schedule 2-A Interest Computation

Date: 10/01/2014  
Time: 09:13:10  
Page: 1

Taxpayer: 2423 N CLARK STREET LLC IBT: 3932-5-41 Audit Period: 01/01/2011 through 06/30/2013  
Tax Type: ROT Interest Thru Date: 10/01/2014 Detail Liability: \$125,007.26 Average Liability: \$0.00

Auditor: Mary T. Piszczor

Month	Detail Liability	Average Liability	Prepayment	Total Liability	Rate	Interest
07/2011	\$3,782.56	\$0.00	\$0.00	\$3,782.56	6.7177	\$254.10
08/2011	\$3,782.56	\$0.00	\$0.00	\$3,782.56	6.3780	\$241.25
09/2011	\$3,782.56	\$0.00	\$0.00	\$3,782.56	6.0492	\$228.82
10/2011	\$3,782.56	\$0.00	\$0.00	\$3,782.56	5.7095	\$215.96
11/2011	\$3,782.56	\$0.00	\$0.00	\$3,782.56	5.3807	\$203.53
12/2011	\$3,782.56	\$0.00	\$0.00	\$3,782.56	5.0958	\$192.76
01/2012	\$4,591.15	\$0.00	\$0.00	\$4,591.15	4.8410	\$222.26
02/2012	\$4,591.15	\$0.00	\$0.00	\$4,591.15	4.6026	\$211.32
03/2012	\$4,591.15	\$0.00	\$0.00	\$4,591.15	4.3479	\$199.62
04/2012	\$4,591.15	\$0.00	\$0.00	\$4,591.15	4.1013	\$188.30
05/2012	\$4,591.15	\$0.00	\$0.00	\$4,591.15	3.8465	\$176.60
06/2012	\$4,591.15	\$0.00	\$0.00	\$4,591.15	3.5909	\$165.29
07/2012	\$4,591.15	\$0.00	\$0.00	\$4,591.15	3.3451	\$153.58
08/2012	\$4,591.15	\$0.00	\$0.00	\$4,591.15	3.0903	\$141.88
09/2012	\$4,591.15	\$0.00	\$0.00	\$4,591.15	2.8438	\$130.55
10/2012	\$4,591.15	\$0.00	\$0.00	\$4,591.15	2.5890	\$118.86
02/2013	\$11,280.08	\$0.00	\$0.00	\$11,280.08	2.2520	\$254.04
03/2013	\$11,280.08	\$0.00	\$0.00	\$11,280.08	2.2520	\$254.04
04/2013	\$11,280.08	\$0.00	\$0.00	\$11,280.08	2.2520	\$254.04
05/2013	\$11,280.08	\$0.00	\$0.00	\$11,280.08	2.2520	\$254.04
06/2013	\$11,280.08	\$0.00	\$0.00	\$11,280.08	2.2520	\$254.04
<b>Total:</b>	<b>\$125,007.26</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$125,007.26</b>		<b>\$4,314.88</b>



**Illinois Department of Revenue**

Audit Bureau – Region 4  
9511 W. Harrison St.  
Maine North Regional Building  
Des Plaines, IL 60016

October 7, 2014

Re: 2423 N. Clark St. LLC #3932-5441

Audit Period: Jan 2011 – June 2013

Dear Taxpayer:

As you know I sent you work papers and an EDA 105 dated 10-1-2014. Unfortunately after reviewing the audit I noticed that the liability was not assessed for the first six months of the audit period. Therefore all work papers have been recalculated and the new liability has been established. I apologize for the original omission. Interest has now been computed through today's date of 10-7-2014. Please inform me by 11-7-2014 how you wish to move forward with this audit. Do you wish to agree and pay or will you be going to the tax tribunal? Governor Quinn changed the policies of Administrative Hearings, and now if the liability is over fifteen thousand dollars, the case automatically is heard by the tax tribunal.

Please contact me at 312-636-9682 if you have any questions. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "M. T. Piszczor".

Mary T. Piszczor  
R.A. III

**Notice of Audit Results**  
**for Sales, Use, and Excise Taxes and Fees**



October 7, 2014

#BWNKMGV  
#CNXX X163 765X 9126#  
2423 N CLARK STREET LLC  
2423 N CLARK ST  
CHICAGO IL 60614-7777



Letter ID: CNXXX163765X9126

Taxpayer ID: 26-3214787  
Account ID: 3932-5441  
Audit ID: A594726912  
Return type: ST-1  
Audit periods: 01/2011 - 06/2013



Enclosed please find Form EDA-105-R, ROT Audit Report, showing the additional amount of tax, penalty, and interest that is due as the result of your audit. Interest has been calculated through the "interest through date", October 7, 2014, and will continue to accrue until the additional tax shown due is paid in full.

**Please note. If you sign the audit report you waive the right to seek review by the Informal Conference Board.**

If you want to pay the audit liability or sign Form EDA-105-R or do both, contact us using the information below for updated interest and penalty calculations.

The late payment penalty amount shown on this audit report has been computed through the "interest through date." If you do not sign Form EDA-105-R, and pay the additional tax shown due within 30 days of the "interest through date", your late payment penalty will increase to \$28413

Failure to sign Form EDA-105-R, will result in the issuance of a Notice of Tax Liability explaining your rights to protest the liability and request an administrative hearing.

If you sign Form EDA-105-R, but do not pay the additional tax shown due, the late payment penalty will increase to \$28413 and a Notice of Tax Assessment will be issued.

Mail your payment and the signed Form EDA-105-R, to

AUDIT BUREAU SPI-A  
ILLINOIS DEPARTMENT OF REVENUE  
PO BOX 19475  
SPRINGFIELD IL 62794-9475

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

Sincerely,



Mary Piszczon  
Revenue Auditor

ILLINOIS DEPARTMENT OF REVENUE  
9511 W HARRISON STREET, DP-A  
DES PLAINES IL 60016-1523

312 636-9682  
312 636-9682 cell  
847 294-4246 fax

Illinois Department of Revenue  
**EDA-105-R ROT Audit Report**

Rev 01  
 Station 854

Account ID 3932-5441  
 Business name 2423 N CLARK ST LLC  
 Business address 2423 N CLARK ST  
CHICAGO, IL 60614-7777

Processing period 1/1/11 - 6/30/13  
 Interest through (issue) date 10/01/14  
 Earliest statute date 12/31/14  
 Audit Period 1/1/11 - 6/30/2013

**Step 1: Taxes due per audit**

The line numbers in Step 1 of this report mirror those on Form ST-1

**Sales made from locations inside Illinois**

Retailers'/service occupation tax  
 4b General merchandise 4b 141,486  
 5b Food and drug 5b \_\_\_\_\_

**Sales made from locations outside Illinois**

Retailers'/service occupation tax  
 6b General merchandise 6b \_\_\_\_\_  
 7b Food and drug 7b \_\_\_\_\_

**Sales at other rates**

Retailers'/service occupation tax  
 8b General merchandise 8b \_\_\_\_\_

**Total tax due on receipts**

11 Total tax due on receipts  
 (Add 4b through 8b) 11 141,486

**Tax on purchases**

Use tax on purchases  
 12b General merchandise 12b \_\_\_\_\_  
 13b Food and drug 13b 579  
 15 Total tax due on purchases  
 (Add lines 12b and 13b) 15 579

16 Total tax or credit due on receipts and purchases  
 (Add Lines 11 and 15) 16 142,065  
 22 Excess tax collected 22 \_\_\_\_\_  
 23 Total tax due  
 Total of Lines 16 and 22 23 142,065

**Step 2: Penalty and interest due**

26 Penalty  
 a Penalty (prior to 12/93) 26a \_\_\_\_\_  
 b Late-filing penalty 26b 1,531  
 c Negligence penalty 26c 28,413  
 d Fraud penalty 26d \_\_\_\_\_  
 e Late-payment penalty (12/03 and after) 26e 21,310  
 27 Interest  
 a Interest on tax 27a 5,684  
 b Interest on late-filing penalty 27b \_\_\_\_\_  
 c Interest on negligence/fraud penalty 27c \_\_\_\_\_

**Step 3: Amount due or overpaid**

28 Total due or overpaid  
 (Add Lines 23 through 27c.) 28 \$ 199,003

*For Informational Purposes Only.  
 This is not a processable EDA-105-R*



**Illinois Department of Revenue**  
**Sales Tax Audit System**  
*Schedule 2-B Penalty Computation*

Date: 10/07/2014  
 Time: 13:28:04  
 Page: 1

Taxpayer: 2423 N CLARK STREET LLC IBT: 39325441 Audit Period: 01/01/2011 through 06/30/2013  
 Tax Type: ROT interest Thru Date: 10/07/2014

Auditor: Mary T. Piszczor

**Late Filing**

<u>Filing Period</u>	<u>Tax Amount</u>	<u>Rate</u>	<u>Penalty</u>		<u>Interest</u>		<u>Total</u>
			<u>Amount</u>	<u>Rate</u>	<u>Amount</u>	<u>Amount</u>	
09/2011	\$4,418.61	2.00%	\$88.37	0.00%	\$0.00	\$88.37	
10/2011	\$4,418.61	2.00%	\$88.37	0.00%	\$0.00	\$88.37	
11/2011	\$4,418.61	2.00%	\$88.37	0.00%	\$0.00	\$88.37	
12/2011	\$4,418.61	2.00%	\$88.37	0.00%	\$0.00	\$88.37	
04/2012	\$4,589.65	2.00%	\$91.79	0.00%	\$0.00	\$91.79	
05/2012	\$4,589.65	2.00%	\$91.79	0.00%	\$0.00	\$91.79	
10/2012	\$4,589.65	2.00%	\$91.79	0.00%	\$0.00	\$91.79	
02/2013	\$11,280.08	2.00%	\$225.60	0.00%	\$0.00	\$225.60	
03/2013	\$11,280.08	2.00%	\$225.60	0.00%	\$0.00	\$225.60	
04/2013	\$11,280.08	2.00%	\$225.60	0.00%	\$0.00	\$225.60	
05/2013	\$11,280.08	2.00%	\$225.60	0.00%	\$0.00	\$225.60	
<b>Total Late Filing</b>	<b>\$76,563.71</b>		<b>\$1,531.25</b>		<b>\$0.00</b>	<b>\$1,531.25</b>	

**Late Payment**

<u>Filing Period</u>	<u>Tax Amount</u>	<u>Rate</u>	<u>Penalty</u>		<u>Interest</u>		<u>Total</u>
			<u>Amount</u>	<u>Rate</u>	<u>Amount</u>	<u>Amount</u>	
01/2011	\$4,418.61	15.00%	\$662.79	0.00%	\$0.00	\$662.79	
02/2011	\$4,418.61	15.00%	\$662.79	0.00%	\$0.00	\$662.79	
03/2011	\$4,418.61	15.00%	\$662.79	0.00%	\$0.00	\$662.79	
07/2011	\$4,418.61	15.00%	\$662.79	0.00%	\$0.00	\$662.79	
08/2011	\$4,418.61	15.00%	\$662.79	0.00%	\$0.00	\$662.79	
09/2011	\$4,418.61	15.00%	\$662.79	0.00%	\$0.00	\$662.79	
10/2011	\$4,418.61	15.00%	\$662.79	0.00%	\$0.00	\$662.79	
11/2011	\$4,418.61	15.00%	\$662.79	0.00%	\$0.00	\$662.79	
12/2011	\$4,418.61	15.00%	\$662.79	0.00%	\$0.00	\$662.79	
01/2012	\$4,589.65	15.00%	\$688.45	0.00%	\$0.00	\$688.45	
02/2012	\$4,589.65	15.00%	\$688.45	0.00%	\$0.00	\$688.45	
03/2012	\$4,589.65	15.00%	\$688.45	0.00%	\$0.00	\$688.45	
04/2012	\$4,589.65	15.00%	\$688.45	0.00%	\$0.00	\$688.45	
05/2012	\$4,589.65	15.00%	\$688.45	0.00%	\$0.00	\$688.45	
06/2012	\$4,589.65	15.00%	\$688.45	0.00%	\$0.00	\$688.45	
07/2012	\$4,589.65	15.00%	\$688.45	0.00%	\$0.00	\$688.45	
08/2012	\$4,589.65	15.00%	\$688.45	0.00%	\$0.00	\$688.45	
09/2012	\$4,589.65	15.00%	\$688.45	0.00%	\$0.00	\$688.45	
10/2012	\$4,589.65	15.00%	\$688.45	0.00%	\$0.00	\$688.45	
02/2013	\$11,280.08	15.00%	\$1,692.01	0.00%	\$0.00	\$1,692.01	
03/2013	\$11,280.08	15.00%	\$1,692.01	0.00%	\$0.00	\$1,692.01	



**Illinois Department of Revenue**  
**Sales Tax Audit System**  
*Schedule 2-B Penalty Computation*

Date: 10/07/2014  
 Time: 13:28:04  
 Page: 2

Taxpayer: 2423 N CLARK STREET LLC IBT: 39325441 Audit Period: 01/01/2011 through 06/30/2013  
 Tax Type: ROT Interest Thru Date: 10/07/2014

Auditor: Mary T. Piszczor

**Late Payment (continued)**

<u>Filing Period</u>	<u>Tax Amount</u>	<u>Penalty</u>		<u>Interest</u>		<u>Total</u>
		<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>	
04/2013	\$11,280.08	15.00%	\$1,692.01	0.00%	\$0.00	\$1,692.01
05/2013	\$11,280.08	15.00%	\$1,692.01	0.00%	\$0.00	\$1,692.01
06/2013	\$11,280.08	15.00%	\$1,692.01	0.00%	\$0.00	\$1,692.01
<b>Total Late Payment</b>	<b>\$142,064.39</b>		<b>\$21,309.66</b>		<b>\$0.00</b>	<b>\$21,309.66</b>

**Negligence**

<u>Filing Period</u>	<u>Tax Amount</u>	<u>Penalty</u>		<u>Interest</u>		<u>Total</u>
		<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>	
01/2011	\$4,418.61	20.00%	\$883.72	0.00%	\$0.00	\$883.72
02/2011	\$4,418.61	20.00%	\$883.72	0.00%	\$0.00	\$883.72
03/2011	\$4,418.61	20.00%	\$883.72	0.00%	\$0.00	\$883.72
07/2011	\$4,418.61	20.00%	\$883.72	0.00%	\$0.00	\$883.72
08/2011	\$4,418.61	20.00%	\$883.72	0.00%	\$0.00	\$883.72
09/2011	\$4,418.61	20.00%	\$883.72	0.00%	\$0.00	\$883.72
10/2011	\$4,418.61	20.00%	\$883.72	0.00%	\$0.00	\$883.72
11/2011	\$4,418.61	20.00%	\$883.72	0.00%	\$0.00	\$883.72
12/2011	\$4,418.61	20.00%	\$883.72	0.00%	\$0.00	\$883.72
01/2012	\$4,589.65	20.00%	\$917.93	0.00%	\$0.00	\$917.93
02/2012	\$4,589.65	20.00%	\$917.93	0.00%	\$0.00	\$917.93
03/2012	\$4,589.65	20.00%	\$917.93	0.00%	\$0.00	\$917.93
04/2012	\$4,589.65	20.00%	\$917.93	0.00%	\$0.00	\$917.93
05/2012	\$4,589.65	20.00%	\$917.93	0.00%	\$0.00	\$917.93
06/2012	\$4,589.65	20.00%	\$917.93	0.00%	\$0.00	\$917.93
07/2012	\$4,589.65	20.00%	\$917.93	0.00%	\$0.00	\$917.93
08/2012	\$4,589.65	20.00%	\$917.93	0.00%	\$0.00	\$917.93
09/2012	\$4,589.65	20.00%	\$917.93	0.00%	\$0.00	\$917.93
10/2012	\$4,589.65	20.00%	\$917.93	0.00%	\$0.00	\$917.93
02/2013	\$11,280.08	20.00%	\$2,256.02	0.00%	\$0.00	\$2,256.02
03/2013	\$11,280.08	20.00%	\$2,256.02	0.00%	\$0.00	\$2,256.02
04/2013	\$11,280.08	20.00%	\$2,256.02	0.00%	\$0.00	\$2,256.02
05/2013	\$11,280.08	20.00%	\$2,256.02	0.00%	\$0.00	\$2,256.02
06/2013	\$11,280.08	20.00%	\$2,256.02	0.00%	\$0.00	\$2,256.02
<b>Total Negligence</b>	<b>\$142,064.39</b>		<b>\$28,412.88</b>		<b>\$0.00</b>	<b>\$28,412.88</b>



Illinois Department of Revenue  
Sales Tax Audit System  
Schedule 2-B Penalty Computation

Date: 10/07/2014  
Time: 13:28:04  
Page: 3

Taxpayer: 2423 N CLARK STREET LLC IBT: 39325441 Audit Period: 01/01/2011 through 06/30/2013  
Tax Type: ROT Interest Thru Date: 10/07/2014

Auditor: Mary T. Piszczor

**Fraud**

This penalty was not assessed for any periods

	<u>Penalty</u>	<u>Interest</u>	<u>Total</u>
Grand Total	\$51,253.79	\$0.00	\$51,253.79



Illinois Department of Revenue  
Sales Tax Audit System  
Schedule 2-A Interest Computation

Date: 10/07/2014  
Time: 11:48:06  
Page: 1

Taxpayer: 2423 N CLARK STREET LLC IBT: 39325441 Audit Period: 01/01/2011 through 06/30/2013  
Tax Type: ROT Interest Thru Date: 10/07/2014 Detail Liability: \$142,064.39 Average Liability: \$0.00

Auditor: Mary T. Piszczor

Month	Detail Liability	Average Liability	Prepayment	Total Liability	Rate	Interest
01/2011	\$4,418.61	\$0.00	\$0.00	\$4,418.61	8.3944	\$370.92
02/2011	\$4,418.61	\$0.00	\$0.00	\$4,418.61	8.1643	\$360.75
03/2011	\$4,418.61	\$0.00	\$0.00	\$4,418.61	7.9095	\$349.48
07/2011	\$4,418.61	\$0.00	\$0.00	\$4,418.61	6.7670	\$299.01
08/2011	\$4,418.61	\$0.00	\$0.00	\$4,418.61	6.4273	\$284.00
09/2011	\$4,418.61	\$0.00	\$0.00	\$4,418.61	6.0985	\$269.47
10/2011	\$4,418.61	\$0.00	\$0.00	\$4,418.61	5.7588	\$254.46
11/2011	\$4,418.61	\$0.00	\$0.00	\$4,418.61	5.4300	\$239.93
12/2011	\$4,418.61	\$0.00	\$0.00	\$4,418.61	5.1451	\$227.34
01/2012	\$4,589.65	\$0.00	\$0.00	\$4,589.65	4.8903	\$224.45
02/2012	\$4,589.65	\$0.00	\$0.00	\$4,589.65	4.6520	\$213.51
03/2012	\$4,589.65	\$0.00	\$0.00	\$4,589.65	4.3972	\$201.81
04/2012	\$4,589.65	\$0.00	\$0.00	\$4,589.65	4.1506	\$190.50
05/2012	\$4,589.65	\$0.00	\$0.00	\$4,589.65	3.8958	\$178.79
06/2012	\$4,589.65	\$0.00	\$0.00	\$4,589.65	3.6492	\$167.49
07/2012	\$4,589.65	\$0.00	\$0.00	\$4,589.65	3.3944	\$155.79
08/2012	\$4,589.65	\$0.00	\$0.00	\$4,589.65	3.1397	\$144.10
09/2012	\$4,589.65	\$0.00	\$0.00	\$4,589.65	2.8931	\$132.79
10/2012	\$4,589.65	\$0.00	\$0.00	\$4,589.65	2.6383	\$121.09
02/2013	\$11,280.08	\$0.00	\$0.00	\$11,280.08	2.3013	\$259.59
03/2013	\$11,280.08	\$0.00	\$0.00	\$11,280.08	2.3013	\$259.59
04/2013	\$11,280.08	\$0.00	\$0.00	\$11,280.08	2.3013	\$259.59
05/2013	\$11,280.08	\$0.00	\$0.00	\$11,280.08	2.3013	\$259.59
06/2013	\$11,280.08	\$0.00	\$0.00	\$11,280.08	2.3013	\$259.59
<b>Total:</b>	<b>\$142,064.39</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$142,064.39</b>		<b>\$5,683.63</b>

11 2 2017

#3932-5441	2423 N CLARK ST. LLC	5/19/2014		
	2423 N CLARK ST LLC	10/7/2014	revised	SUMMARY
	CHICAGO, IL 60614-2717			MTP

SUMMARY OF LIABILITY

1/13 - 6/13

<b>BEER PURCHASES</b>	56200.12	
% AVAILABLE AFTER SPOILAGE	0.99	
ADJUSTED PURCHASES	55638	
x MARK-UP	4.71	
<b>EXPECTED BEER SALES</b>	<b>262056</b>	
<b>LIQUOR PURCHASES</b>	45887	
% AVAILABLE AFTER SPOILAGE	0.99	
ADJUSTED PURCHASES	45428	
X MARK-UP	6.59	
<b>EXPECTED LIQUOR SALES</b>	<b>299371.57</b>	
<b>TOTAL EXPECTED BEER &amp; LIQ SALES</b>	<b>561427.11</b>	
LESS: CREDIT FOR TAX COLLECTIONS	-47535.02	
<b>NET EXPECTED BEER &amp; LIQ SALES</b>	<b>513892.09</b>	
<b>FOOD PURCHASES</b>	219507.70	
% AVAILABLE AFTER SPOILAGE	0.95	
ADJUSTED PURCHASES	208532.32	
X MARK-UP	3.18	
<b>EXPECTED FOOD SALES</b>	<b>663132.76</b>	
<b>TOTAL EXPECTED SALES</b>	<b>1177025</b>	
SALES REPORTED ON ROT	568594	2011 - 9.75%
		2012 - 9.50%
DIFFERENCE	608431	2013 - 9.25%

NET UNDER-REPORTED RECEIPTS	608431
TOTAL ADDITIONAL TAXES DUE	56280
SALES PER AUDIT FOR 1/13 - 6/13	1177025
SALES PER ROT FOR 1/13 - 6/13	568594
ERROR RATE =	2.07
1/11 - 12/11 TAXABLE RECEIPTS PER ROT	379108
X % OF ERROR	2.07
EXPECTED RECEIPTS	784753.56
LESS REPORTED RECEIPTS	-379108
DIFFERENCE = UNDER-REPORTED RECEIPTS	405646
TAX DUE @ 9.75%	39550
2012 - TAXABLE RECEIPTS PER ROT	449143
X % OF ERROR	2.07
EXPECTED RECEIPTS	929726
LESS REPORTED RECEIPTS	-449143
DIFFERENCE = UNDER-REPORTED RECEIPTS	480583
TAX DUE @ 9.50%	45655
<b>TOTAL TAX DUE</b>	<b>141486</b>

2423 N CLARK ST FOR CROCKETT CRYSTAL  
2423 N CLARK  
CHICAGO IL 60614

MTP  
10/7/2014

REVISED

SCHEDULE OF USE TAX DUE ON FOOD & LIQUOR COSTS

2/13 - 6/13	COST	USE TAX DUE
JUSTIN COMPS - FOOD 3167	996	10
AUBRY COMPS - FOOD 8725 5	2744	27
FLORIAN COMP - FOOD 6248 51	1965	20
BARTENDER - LIQUOR 5741 02	1016	64
TOTAL 23,882		121
LOW RATE TAX BASE FOR 2/13 - 6/13 FOR COMPS		5,705
DIVIDE BY 5 = MONTHLY AVG		1,141
AVG X 19 MOS IN AUDIT WHERE BUSINESS WAS OPEN		21,679
LOW RATE TAX DUE FOR FOOD COMPS (1/11 - 11/12)		217
HIGH RATE TAX BASE FOR 2/13 - 6/13 FOR LIQ COMPS		1016
DIVIDE BY 5 = MONTHLY AVERAGE		203
AVG X 19 MOS IN AUDIT WHERE BUSINESS WAS OPEN		3857
HIGH RATE TAX DUE FOR LIQUOR COMPS (1/11 - 11/12)		241
TOTAL TAX DUE FOR COMPS		579

Illinois Department of Revenue  
**EDA-105-R ROT Audit Report**

Rev 01  
 Station 854

Account ID 3932-5441  
 Business name 2423 N CLARK ST LLC  
 Business address 2423 N CLARK ST  
CHICAGO, IL 60614-7777

Processing period 1/1/11 - 6/30/13  
 Interest through (Issue) date 10/01/14  
 Earliest statute date 12/31/14  
 Audit Period 1/1/11 - 6/30/2013

**Step 1: Taxes due per audit**

The line numbers in Step 1 of this report mirror those on Form ST-1

**Sales made from locations inside Illinois**

Retailers/service occupation tax  
 4b General merchandise 4b 124,757  
 5b Food and drug 5b \_\_\_\_\_

**Sales made from locations outside Illinois**

Retailers/service occupation tax  
 6b General merchandise 6b \_\_\_\_\_  
 7b Food and drug 7b \_\_\_\_\_

**Sales at other rates**

Retailers/service occupation tax  
 8b General merchandise 8b \_\_\_\_\_

**Total tax due on receipts**

11 Total tax due on receipts  
 (Add 4b through 8b.) 11 124,757

**Tax on purchases**

Use tax on purchases  
 12b General merchandise 12b \_\_\_\_\_  
 13b Food and drug 13b 251  
 15 Total tax due on purchases  
 (Add lines 12b and 13b) 15 251

16 Total tax or credit due on receipts and purchases  
 (Add Lines 11 and 15.) 16 125,008  
 22 Excess tax collected 22 \_\_\_\_\_  
 23 Total tax due 23 \_\_\_\_\_  
 Total of Lines 16 and 22 23 125,008

**Step 2: Penalty and interest due**

26 Penalty  
 a Penalty (prior to 12/93) 26a \_\_\_\_\_  
 b Late-filing penalty 26b 1,255  
 c Negligence penalty 26c 25,001  
 d Fraud penalty 26d \_\_\_\_\_  
 e Late-payment penalty (12/03 and after) 26e 18,751  
 27 Interest  
 a Interest on tax 27a 4,315  
 b Interest on late-filing penalty 27b \_\_\_\_\_  
 c Interest on negligence/fraud penalty 27c \_\_\_\_\_

**Step 3: Amount due or overpaid**

28 Total due or overpaid  
 (Add Lines 23 through 27c.) 28 \$ 174,330

*For Informational Purposes Only.  
 This is not a Processable EDA-105R.  
 A taxpayer cannot sign a EDA-105 with the negligence penalty on it therefore this informational form is provided so that you can see the entire liability.*

Illinois Department of Revenue  
**EDA-105-R ROT Audit Report**

Rev 01  
 Station 854

Account ID 3932-5441  
 Business name 2423 N. CLARK STREET LLC  
 Business address 2423 N. CLARK ST  
CHICAGO, IL 60614-7777

Processing period 1/1/2011 - 6/30/2013  
 Interest through (issue) date 10/01/14  
 Earliest statute date 12/31/14  
 Audit Period 1/1/2011 - 6/30/2013

**Step 1: Taxes due per audit**

The line numbers in Step 1 of this report mirror those on Form ST-1.

**Sales made from locations inside Illinois**

Retailers/service occupation tax  
 4b General merchandise 4b 124,757  
 5b Food and drug 5b \_\_\_\_\_

**Sales made from locations outside Illinois**

Retailers/service occupation tax  
 6b General merchandise 6b \_\_\_\_\_  
 7b Food and drug 7b \_\_\_\_\_

**Sales at other rates**

Retailers/service occupation tax  
 8b General merchandise 8b \_\_\_\_\_

**Total tax due on receipts**

11 Total tax due on receipts  
 (Add 4b through 8b) 11 124,757

**Tax on purchases**

Use tax on purchases  
 12b General merchandise 12b \_\_\_\_\_  
 13b Food and drug 13b 251  
 15 Total tax due on purchases  
 (Add lines 12b and 13b) 15 251

16 Total tax or credit due on receipts and purchases  
 (Add Lines 11 and 15.) 16 125,008  
 22 Excess tax collected 22 \_\_\_\_\_  
 23 Total tax due  
 Total of Lines 16 and 22 23 125,008

**Step 2: Penalty and interest due**

26 Penalty  
 a Penalty (prior to 12/93) 26a \_\_\_\_\_  
 b Late-filing penalty 26b 1,255  
 c Negligence penalty 26c \_\_\_\_\_  
 d Fraud penalty 26d \_\_\_\_\_  
 e Late-payment penalty (12/03 and after) 26e 18,751  
 27 Interest  
 a Interest on tax 27a 4,315  
 b Interest on late-filing penalty 27b \_\_\_\_\_  
 c Interest on negligence/fraud penalty 27c \_\_\_\_\_

**Step 3: Amount due or overpaid**

28 Total due or overpaid  
 (Add Lines 23 through 27c.) 28 \$ 149,320

**Step 4: Read and sign below**

Under penalties of perjury, I state that I have examined this report and, to the best of my knowledge, it is true, correct, and complete. By signing this report, I waive the right to seek review by the Informal Conference Board.

Taxpayer's signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
 Auditor's signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

**(Official use only) Do not write below this line**

Late-payment penalty (prior to 12/03) \_\_\_\_\_  
 Late-payment penalty interest \_\_\_\_\_  
 Tier 2 late-filing penalty \_\_\_\_\_  
 Tier 2 late-filing penalty interest \_\_\_\_\_  
 Total Audit Payments \_\_\_\_\_  
 MPC amount \_\_\_\_\_  
 Track Number \_\_\_\_\_  
 Date received  / /  
 AL EL NF MA AD \_\_\_\_\_  
 Remittance amount \_\_\_\_\_



Illinois Department of Revenue  
Sales Tax Audit System  
Schedule 2-B Penalty Computation

Date: 10/01/2014  
Time: 09:16:17  
Page: 1

Taxpayer: 2423 N CLARK STREET LLC IBT 3932-5441 Audit Period: 01/01/2011 through 06/30/2013  
Tax Type: ROT Interest Thru Date: 10/01/2014

Auditor: Mary T. Piszczor

Late Filing

<u>Filing Period</u>	<u>Tax Amount</u>	<u>Penalty</u>		<u>Interest</u>		<u>Total</u>
		<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>	
09/2011	\$3,782.56	2.00%	\$75.65	0.00%	\$0.00	\$75.65
10/2011	\$3,782.56	2.00%	\$75.65	0.00%	\$0.00	\$75.65
11/2011	\$3,782.56	2.00%	\$75.65	0.00%	\$0.00	\$75.65
12/2011	\$3,782.56	2.00%	\$75.65	0.00%	\$0.00	\$75.65
04/2012	\$4,591.15	2.00%	\$91.82	0.00%	\$0.00	\$91.82
05/2012	\$4,591.15	2.00%	\$91.82	0.00%	\$0.00	\$91.82
10/2012	\$4,591.15	2.00%	\$91.82	0.00%	\$0.00	\$91.82
02/2013	\$11,280.08	2.00%	\$225.60	0.00%	\$0.00	\$225.60
03/2013	\$11,280.08	2.00%	\$225.60	0.00%	\$0.00	\$225.60
05/2013	\$11,280.08	2.00%	\$225.60	0.00%	\$0.00	\$225.60
Total Late Filing	\$62,743.93		\$1,254.86		\$0.00	\$1,254.86

Late Payment

<u>Filing Period</u>	<u>Tax Amount</u>	<u>Penalty</u>		<u>Interest</u>		<u>Total</u>
		<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>	
07/2011	\$3,782.56	15.00%	\$567.38	0.00%	\$0.00	\$567.38
08/2011	\$3,782.56	15.00%	\$567.38	0.00%	\$0.00	\$567.38
09/2011	\$3,782.56	15.00%	\$567.38	0.00%	\$0.00	\$567.38
10/2011	\$3,782.56	15.00%	\$567.38	0.00%	\$0.00	\$567.38
11/2011	\$3,782.56	15.00%	\$567.38	0.00%	\$0.00	\$567.38
12/2011	\$3,782.56	15.00%	\$567.38	0.00%	\$0.00	\$567.38
01/2012	\$4,591.15	15.00%	\$688.67	0.00%	\$0.00	\$688.67
02/2012	\$4,591.15	15.00%	\$688.67	0.00%	\$0.00	\$688.67
03/2012	\$4,591.15	15.00%	\$688.67	0.00%	\$0.00	\$688.67
04/2012	\$4,591.15	15.00%	\$688.67	0.00%	\$0.00	\$688.67
05/2012	\$4,591.15	15.00%	\$688.67	0.00%	\$0.00	\$688.67
06/2012	\$4,591.15	15.00%	\$688.67	0.00%	\$0.00	\$688.67
07/2012	\$4,591.15	15.00%	\$688.67	0.00%	\$0.00	\$688.67
08/2012	\$4,591.15	15.00%	\$688.67	0.00%	\$0.00	\$688.67
09/2012	\$4,591.15	15.00%	\$688.67	0.00%	\$0.00	\$688.67
10/2012	\$4,591.15	15.00%	\$688.67	0.00%	\$0.00	\$688.67
02/2013	\$11,280.08	15.00%	\$1,692.01	0.00%	\$0.00	\$1,692.01
03/2013	\$11,280.08	15.00%	\$1,692.01	0.00%	\$0.00	\$1,692.01
04/2013	\$11,280.08	15.00%	\$1,692.01	0.00%	\$0.00	\$1,692.01
05/2013	\$11,280.08	15.00%	\$1,692.01	0.00%	\$0.00	\$1,692.01
06/2013	\$11,280.08	15.00%	\$1,692.01	0.00%	\$0.00	\$1,692.01
Total Late Payment	\$125,007.26		\$18,751.03		\$0.00	\$18,751.03