

TITLE 86: REVENUE
CHAPTER I: DEPARTMENT OF REVENUE

PART 215
INFORMAL CONFERENCE BOARD

Section

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AUTHORITY: Implementing Section 2505-510, and authorized by Section 2505-795, of the Civil Administrative Code of Illinois [20 ILCS 2505/2505-510 and 2505-795].

SOURCE: Adopted at 25 Ill. Reg. 5390, effective April 2, 2001; amended at 31 Ill. Reg. 8535, effective June 1, 2007; amended at 48 Ill. Reg. _____, effective _____.

Section 215.115 Procedure for Requesting Review by the Informal Conference Board (ICB)

- a) Notice of Proposed Audit ~~Results~~Adjustments. Once the auditor has conducted the audit and made an examination of the taxpayer's books and records provided during the audit process, the Department shall issue a written notice to the taxpayer in cases in which a liability or deficiency is asserted, ~~or~~ a refund ~~claim~~claimed is denied in whole or in part, or, in the case of income tax, a net loss is reduced as a result of the audit. Such letter shall be referred to as a Notice of Proposed Liability, Notice of Proposed Deficiency, ~~or~~ Notice of Proposed Claim Denial, Notice of Proposed Deficiency and Claim Denial, or Notice of Net Loss and Credit Reductions. The notice shall state the amount of the proposed liability, deficiency, ~~or~~ claim denial or loss reduction and inform the taxpayer of ~~the~~his or her right to an informal review by the Informal Conference Board (ICB). The taxpayer shall have 60 days after the date the Notice of Proposed Liability, Notice of Proposed Deficiency, ~~or~~ Notice of Proposed Claim Denial, Notice of Proposed Deficiency and Claim Denial, or Notice of Net Loss and Credit Reductions is issued to file a request with the ~~ICB~~Informal Conference Board for review of the proposed audit ~~results~~adjustment. The 60-day period for filing a request commences with the date the notice is hand delivered or emailed to the taxpayer, or with the ~~mailing~~ date ~~of~~ the notice is mailed or, if the Taxpayer has an active

44 MyTax Illinois account, provided to the taxpayer electronically through MyTax
 45 Illinois. The mailing date is the date that appears on the face of the notice or the
 46 postmark date, if later than the date shown on the notice. A request for review
 47 shall be deemed to be timely filed if it is either received by the ICB or is
 48 postmarked within the 60-day period. Although ICB review is being extended to
 49 include audits that result only in loss reductions, no protest rights will be afforded
 50 until such time as the taxpayer has a tax deficiency.

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 52 b) Situations When the Taxpayer Will Not Be Issued a Notice of Proposed Audit
 53 Results Adjustment. The Department will not issue a Notice of Proposed
 54 Liability, Notice of Proposed Deficiency, ~~or~~ Notice of Proposed Claim Denial or
 55 Notice of Proposed Deficiency and Claim Denial when a taxpayer has agreed to
 56 an audit by signing an auditor's report or waiver of restrictions~~the EDA-105 or IL-~~
 57 ~~870~~, or by making a payment of tax deemed assessed under ~~ITA~~-Section 903(a)(4)
 58 of the Illinois Income Tax Act or, on or after January 1, 2024, under Section 4 of
 59 the Retailers' Occupation Tax Act. By signing the auditor's report or waiver of
 60 restrictions~~EDA-105 or IL-870~~, or making such a payment, the taxpayer has
 61 waived ~~the his or her~~ right to seek review by the ~~ICB Informal Conference Board.~~
 62 The Department ~~will~~ also will not issue a Notice of Proposed Liability, Notice of
 63 Proposed Deficiency, ~~or~~ Notice of Proposed Claim Denial or Notice of Proposed
 64 Deficiency and Claim Denial if at the time the audit is completed fewer than 180
 65 days remain during which the Department is required to make an assessment as
 66 provided in Section 905 of the Illinois Income Tax Act or Section 5 of the
 67 Retailers' Occupation Tax Act and~~when the taxpayer will not agree~~~~refuses~~ to
 68 extend the statute of limitations ~~when those statutes will expire prior to the~~
 69 ~~expiration of the 60-day period for seeking Informal Conference Board review.~~

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 71 c) Requirements of a Request for Review. A written request to the ICB will
 72 commence the informal review process. The ICB will examine the basis for the
 73 proposed audit adjustments that are being disputed and review the reasons why
 74 the taxpayer disagrees with the proposed adjustments, along with all supporting
 75 documentation and any additional information that the taxpayer may wish to
 76 submit in support of his or her position. The request to the ICB for review of the
 77 proposed audit adjustments shall be on a form prescribed by the Department. The
 78 form shall include at least the following information:

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- 80 1) ~~The~~ name of the taxpayer or taxpayers;
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- 82 2) tax identification~~the taxpayer's identifying~~ numbers (Social Security
 83 number of individuals or the Illinois Business Tax number issued by the
 84 Department for registration purposes, or federal employer identification
 85 number for entities, such as corporations, estates and trusts, or
 86 partnerships);

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- 3) ~~the~~ current address of the taxpayer and the taxpayer's representative to which correspondence concerning the request should be directed;
 - 4) ~~the~~ amount of the proposed liability, deficiency, ~~or~~ claim denial or loss reduction that is the subject of the request;
 - 5) ~~the~~ audit period at issue to which the request is directed; and
 - 6) letter identification~~the identifying~~ numbers that appear on the Notice of Proposed Liability, Notice of Proposed Deficiency, ~~or~~ Notice of Proposed Claim Denial, Notice of Proposed Deficiency and Claim Denial, or Notice of Net Loss and Credit Reductions. ~~The request must be dated and signed by the taxpayer or by an authorized representative of the taxpayer.~~ If the taxpayer fails, unless for good cause shown, to provide all information required by the Department's form and instructions, the ICB~~Board~~ may refuse to take jurisdiction of the request or dismiss the request.
- d) In-Person Conference Request. An in-person conference with the ICB panel members or their representatives must be requested at the time that the request for review is filed with the ICB. See Section 215.130 for additional detail relating to in-person conferences.
 - e) Grounds for Request. A request to the ICB must raise objections to the proposed audit adjustments. The request may be supplemented up until 30 days before the in-person conference, if one is requested, or within 30 days after the filing of the request if an in-person conference is not requested. The request shall state the taxpayer's specific reasons for the disagreement with the proposed adjustments and show why the Department's proposed tax adjustment is incorrect. The request should reference any information relied upon by the taxpayer.
 - f) The filing of a Request for Review by a taxpayer or authorized representative under this Part shall act as a waiver of the applicable statute of limitation that would otherwise prevent the Department from issuing~~the issuance of~~ a Notice of Tax Liability, Notice of Deficiency, or Notice of Claim Denial following the completion of an audit. In such instance, any applicable limitations period shall be tolled from the date the Request for Review is accepted by the ICB up to and including 180 days following the date of the Action Decision~~final decision~~ or closing memorandum issued by the ICB. Furthermore~~Futhermore~~, should the ICB matter impact future audit periods, the taxpayer will execute all necessary waivers for later audit periods when requested to do so by the Audit Bureau while the matter is pending at the ICB. If the ICB matter impacts later audit periods and the taxpayer fails to execute all necessary waivers for later audit periods when

130 requested to do so by the Audit Bureau, the Audit Bureau will notify the ICB of
 131 the non-compliance and the ICB may dismiss the taxpayer's case. For purposes of
 132 this Part, an impact on future audit periods includes, but is not limited to, the
 133 following situations: the same issues are involved in both audit periods; the
 134 subsequent audit period is a mandatory audit due to the amount of liability
 135 proposed in the ICB matter; or the amounts shown on a return subject to review
 136 by the ICB may be carried to a subsequent year's return.

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- 138 g) Proposals for Disposition. A taxpayer may submit a formal request to settle the
 139 tax dispute with the Department as a part of the initial request to the ICB or at any
 140 point during ICB review prior to the issuance of an Action Decision. Procedures
 141 for proposals are outlined in Section 215.125.
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- 143 h) Offers in Compromise. The ICB will not accept or negotiate offers in
 144 compromise. If a taxpayer is only seeking relief from the further obligation to
 145 pay an undisputed tax liability based on an inability to pay, the taxpayer should
 146 contact the Department's Board of Appeals after a final assessment of the tax.
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148 (Source: Amended at 48 Ill. Reg. _____, effective _____)
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150 **Section 215.120 Review of Requests by the Informal Conference Board**
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- 152 a) The informal conference process is a meaningful~~the first~~ step in attempting to
 153 resolve a tax dispute with the Department. It provides an opportunity for the ICB
 154 and the taxpayer to review and discuss the issues relating to the proposed audit
 155 adjustments brought into question. The informal conference process is not subject
 156 to the requirements of the Illinois Administrative Procedure Act [5 ILCS 100] and
 157 any final action taken by the ICB is not subject to administrative review.
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- 159 b) In order to make its determination with respect to a written request, the ICB may
 160 request additional relevant information regarding the grounds raised in the
 161 taxpayer's request for ICB review. Requests for information by the ICB are
 162 limited to information or documents related to issues raised during the audit that
 163 are reflected in the reasons for, and/or the computations supporting, any proposed
 164 audit adjustments. A request for additional information may also be made by the
 165 ICB either in writing or orally during the course of an in-person conference. The
 166 taxpayer, or the taxpayer's representative, has a duty to respond to any requests
 167 for additional information within 30 days from the date of the request, unless
 168 otherwise agreed. Failure to respond in a timely and complete manner may result
 169 in the request for an in-person conference and/or relief being denied. A written
 170 statement by the taxpayer that information requested does not or did not exist, or
 171 cannot be assembled or collated in a reasonable amount of time, will be
 172 considered a complete response. However, failure to provide the information

173 requested because it cannot be assembled or collated in a reasonable amount of
 174 time may be the basis of an ICB decision to deny an in-person conference and/or
 175 the relief requested by the taxpayer.
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177 c) Documentation or information submitted to the ICB in writing or as part of an
 178 informal conference, other than offers of disposition, may become part of the
 179 Department's audit file or may be reviewed by the Audit Bureau. If a taxpayer
 180 submits information to the conferee, the information may be given to the auditor
 181 to review and make any revisions to the proposed audit adjustments before an
 182 ICB conference is held or before a recommendation is made by the conferee. In
 183 the situation where information is returned to the auditor for review, the ICB will
 184 retain jurisdiction over the matter. Documentation or information submitted to
 185 the ICB does not become part of any formal record and cannot be forwarded to
 186 any other agency or judicial body for purposes of that body making a
 187 determination on the merits of any case. Both the taxpayer and the Department
 188 must present all evidence directly to those judicial bodies in accordance with the
 189 rules of those ~~bodies if~~ bodies if they wish the evidence to be considered.
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191 d) Requests for review submitted to the ICB and all accompanying information
 192 provided are part of the pre-assessment administrative process of the Department.
 193 All such information is covered by the confidentiality provisions of the various
 194 tax laws.
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196 e) Recommendations, notes, memoranda and other records of the ICB with respect
 197 to issues raised in pending ICB matters are not subject to disclosure and do not
 198 become part of the audit file.
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200 f) The ICB is charged with the responsibility of making a determination of whether
 201 the amount of the proposed audit adjustment is accurate. After a complete review
 202 of the request, accompanying information and any evidence and arguments
 203 submitted on behalf of the taxpayer at an in-person conference, if requested, the
 204 ICB shall issue an Action Decision. Whenever possible, the Action Decision
 205 shall be issued within 120 days after receipt of the taxpayer's request. An Action
 206 Decision shall be issued only upon the approval of no fewer than 2 of the 3
 207 members of the ICB panel assigned to the matter. Under no circumstances will
 208 any ICB matter be held in abeyance pending the resolution of the same or similar
 209 issues in litigation pending with this taxpayer, nor will any adjustments related to
 210 those issues be made in the ICB. This does not preclude the ICB from attempting
 211 to resolve other issues that are not involved in litigation.
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213 g) The ICB may expedite the processing of requests for review that involve proposed
 214 liabilities, deficiencies or claim denials in an amount of \$5,000 or less. In
 215 determining whether a request should be expedited, the ICB administrator will

216 consider such factors as whether the amount at issue exceeds \$5,000, or whether
217 the issue is one of first impression or controversial. The ICB administrator will
218 notify the taxpayer in writing if it is determined that the matter should be
219 expedited. The expedited process would mean that only the conferee assigned to
220 the matter will attend the in-person conference, if one is requested. In addition,
221 an Action Decision issued in an expedited matter shall be issued upon the
222 approval of one member of the ICB panel.

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224 h) The Action Decision is final and binding on the Department except where there is
225 a misrepresentation of material fact or a clerical or mathematical error made by
226 the taxpayer, the ICB or a member of the ICB staff. In such situations, the Board
227 may amend or vacate the Action Decision. Action Decisions must be
228 implemented by those areas of the Department to which they are directed. The
229 taxpayer and its representative will be provided with a written notice of the
230 Action Decision.

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232 (Source: Amended at 48 Ill. Reg. _____, effective _____)