**Section 1900.1040 Wagering Tax**

a) For the purposes of this Section, "wagering tax" means the tax assessment due pursuant to Section 25-90(a) of the Act. Each holder of a master sports wagering license is subject to tax and fee liability assessment under the Act.

b) Wagering taxes shall be paid via an electronic funds transfer system employing an Automated Clearinghouse Debit method (ACH-Debit). Each master sports wagering licensee shall maintain an account with sufficient funds to pay, in a timely fashion, all tax and fee liabilities due under the Act. The account shall be maintained at a financial institution capable of making payments to the State under the electronic funds transfer requirements imposed by the State.

c) The Administrator shall prescribe and make available to each master sports wagering licensee and manager forms, instructions and reporting requirements for taxes. Forms may be provided by the Administrator to master sports wagering licensees in computer-based format and include a computer program that, upon input by the licensee of requisite data, provides for the calculation of tax and fee reporting information and tax and fee liability.

d) The Tax and Fee Schedules must be filed with the Board no later than 12:00 noon on the due date. Wagering tax payments shall be transferred electronically on the due date to the Board's designated financial institution by the end of that financial institution's business day. For purposes of tax and fee schedules and tax and fee payments, the due date shall be defined as the last day of the month following the calendar month in which the adjusted gross sports wagering receipts were received and the wagering tax obligation was accrued.

e) The wagering tax imposed on the master sports wagering licensee shall be based on adjusted gross sports wagering receipts from sports wagering. Adjusted gross sports wagering receipts for a given month equal the total value of placed wagers the outcome of which are determined during that month, less the value of all winning wagers the outcome of which are determined that month, regardless of when the wager was placed or when the winning wager was redeemed, plus or minus any adjustments made. The wagering tax imposed on the master sports wagering licensee shall be 15% of adjusted gross sports wagering receipts.

f) Pursuant to Section 25-90(a-5) of the Act, the State shall impose and collect a tax of 2% of the adjusted gross receipts from sports wagers that are placed within a home rule county with a population of over 3,000,000 inhabitants. For the purposes of this tax, a wager is considered placed within the county if the patron is physically located within the county at the time the wager is placed.

g) Monthly Tax and Fee Schedules shall include all information necessary for adjustments and reconciliation of tax and fee liability and shall be subject to audit by the Board and its audit agents. Adjustments to previously reported tax and fee information shall be made by the master sports wagering licensee, except that no adjustment of $25,000 or more shall be made to previously reported adjusted gross sports wagering receipts without the prior written approval of the Administrator or the Administrator's designee.

h) In the event that a Tax and Fee Schedule properly reflects a net loss experienced by the master sports wagering licensee, an adjustment for the amount of any remaining net wagering loss (negative adjusted gross sports wagering receipts) shall be carried forward on the subsequent Tax and Fee Schedules until the loss is offset by net win (positive adjusted gross sports wagering receipts).

i) All Wagering Taxes paid pursuant to the requirements of the Act shall be deposited by the Board into the Sports Wagering Fund. On the 25th of each month, the Board shall transfer excess funds in the Sports Gaming Fund to the Capital Projects Fund.

j) Failure to Comply

1) A master sports wagering licensee's failure to comply with the provisions of this Section may subject the master sports wagering licensee to penalty and interest amounts pursuant to the Uniform Penalty and Interest Act [35 ILCS 735].

2) The Administrator is authorized to waive any penalty and interest for the late filing of a tax schedule or late tax payment, if the master sports wagering licensee can show good cause. "Good cause" shall include, but not be limited to, detection and correction of a deficiency in filing or payment that resulted from a documented inadvertent or unintentional error that was corrected within one business day after the applicable due date.

3) The master sports wagering licensee shall be notified by the Administrator in writing of any penalty or interest payable because of a late tax schedule filing or late tax payment.

4) The master sports wagering licensee may, within 10 business days after receiving the notice, file with the Administrator a written request for a waiver of any penalty or interest. The Administrator shall act on the request for waiver and notify the master sports wagering licensee in writing of the decision within 15 calendar days after receiving the request. If the Administrator fails to act within the 15 day period, the waiver is deemed granted.

5) If the Administrator denies the request for waiver, the master sports wagering licensee may ask the Board for a hearing. The request for hearing must be in writing and filed not later than 15 calendar days after receipt of the notice of denial. Section 1900.110(b) does not apply to such a request.

6) Except as provided in this subsection (j), the provisions for hearings under Subpart H shall apply to any hearing conducted under this Section. The licensee has the burden of showing good cause by clear and convincing evidence.