**Section 120.110 Noncompliance with the Agreement**

a) *If the Director determines that a taxpayer who has received a credit under* the Act *is not complying with the requirements of the agreement or all of the provisions of the Act, the Director shall provide notice to the taxpayer of the alleged noncompliance and allow the taxpayer a hearing under the provisions of the Illinois Administrative Procedure Act. If, after notice and any hearing, the Director determines that a noncompliance exists, the Director shall issue to the Department of Revenue notice to that effect, stating the noncompliance date.* [35 ILCS 45/110-70] Alleged noncompliance shall include, but not be limited to:

1) a demonstration that the taxpayer failed materially to comply with the terms and conditions of the agreement;

2) a determination upon investigation that the taxpayer or any of its agents or representative provided false or misleading information to the Department; or

3) a failure to submit the annual report required by Section 30(f) of the Act.

b) The Department shall notify a taxpayer in writing that its certification of verification subject to revocation. Such notice shall include the reason for revocation and the date and location of a hearing to be held pursuant to 56 Ill. Adm. Code 2605.

c) Following revocation of the certification of verification the Department will contact the Director of the Illinois Department of Revenue who may begin proceedings to recover wrongfully exempted State taxes.