



## 93RD GENERAL ASSEMBLY

### State of Illinois

### 2003 and 2004

Introduced 02/05/04, by Bob Biggins

#### SYNOPSIS AS INTRODUCED:

20 ILCS 2520/4

from Ch. 120, par. 2304

Amends the Taxpayers' Bill of Rights Act. Provides that in the case of an audit, if no violations are found, the Department shall provide the taxpayer a closing letter acknowledging this and thanking the taxpayer for his, her, or its cooperation. Provides that if there are changes, the auditor is required to provide in writing to the taxpayer the audit findings, as well as audit methods and procedures, recommended changes in record-keeping practices, and an explanation of the proper interpretation of the tax law in areas where errors were made. Provides that no audit shall be deemed complete without this paperwork and the signatures of both the auditor and taxpayer.

LRB093 17846 SJM 43527 b

FISCAL NOTE ACT  
MAY APPLY

1 AN ACT concerning taxpayers.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Taxpayers' Bill of Rights Act is amended by  
5 changing Section 4 as follows:

6 (20 ILCS 2520/4) (from Ch. 120, par. 2304)

7 Sec. 4. Department responsibilities. The Department of  
8 Revenue shall have the following powers and duties to protect  
9 the rights of taxpayers:

10 (a) To furnish each taxpayer with a written statement of  
11 rights whenever such taxpayer receives a protestable notice, a  
12 bill, a claim denial or reduction regarding any tax. Such  
13 statement shall explain the rights of such person and the  
14 obligations of the Department during the audit, appeals, refund  
15 and collections processes.

16 (b) To include on all tax notices an explanation of tax  
17 liabilities and penalties.

18 (c) To abate taxes and penalties assessed based upon  
19 erroneous written information or advice given by the  
20 Department.

21 (d) To not cancel any installment contracts unless the  
22 taxpayer fails to provide accurate financial information,  
23 fails to pay any tax or does not respond to any Department  
24 request for additional financial information.

25 (e) To place non-perishable property seized for taxes in  
26 escrow for safekeeping for a period of 20 days to permit the  
27 taxpayer to correct any Department error. If seized property is  
28 of a perishable nature and in danger of immediate waste or  
29 decay, such property need not be placed in escrow prior to  
30 sale.

31 (f) To place seized taxpayer bank accounts in escrow with  
32 the bank for 20 days to permit the taxpayer to correct any

1 Department error.

2 (g) To adopt regulations setting standards for setting  
3 times and places for taxpayer interviews and to permit any  
4 taxpayer to record such interviews.

5 (h) To pay interest to taxpayers who have made overpayments  
6 at the same rate as interest charged on underpayments.

7 (i) To grant automatic extensions to taxpayers in filing  
8 income tax returns when such taxpayer has been granted an  
9 extension in filing a federal tax return.

10 (j) To annually perform a systematic identification of  
11 areas of recurrent taxpayer non-compliances with rules or  
12 guidelines and to report its findings and recommendations  
13 concerning such non-compliance to the General Assembly in an  
14 annual report.

15 (k) In the case of an audit, if no violations are found,  
16 the Department shall provide the taxpayer a closing letter  
17 acknowledging this and thanking the taxpayer for his, her, or  
18 its cooperation. If there are changes, the auditor is required  
19 to provide in writing to the taxpayer the audit findings as  
20 well as audit methods and procedures, recommended changes in  
21 record-keeping practices, and an explanation of the proper  
22 interpretation of the tax law in areas where errors were made.  
23 No audit shall be deemed complete without this paperwork and  
24 the signatures of both the auditor and taxpayer.

25 (Source: P.A. 86-176; 86-189; 87-860.)