



# ILLINOIS REVENUE





# The Taxpayers' Federation of Illinois Annual SALT Conference

## Presentation on Revenue Issues

Illinois Department of Revenue

October 17, 2024

# Disclaimer

This PowerPoint presentation is provided for general informational purposes only. The information contained in this presentation should not be construed as legal advice from the Illinois Department of Revenue or the presenter for any purpose, including but not limited to the Taxpayers' Bill of Rights, nor is it intended to be a substitute for legal counsel on any subject matter. IDOR advises that audience members pursue appropriate legal or other professional advice when seeking guidance, based upon their particular facts and circumstances.

# IDoR Personnel

## Panel Discussion

- David Harris, Director
- Alexis Overstreet, Deputy General Counsel – Sales & Excise Taxes
- Brian Fliflet, Deputy General Counsel – Income Tax
- Africa Robinson, Administrator – Informal Conference Board

## In Attendance

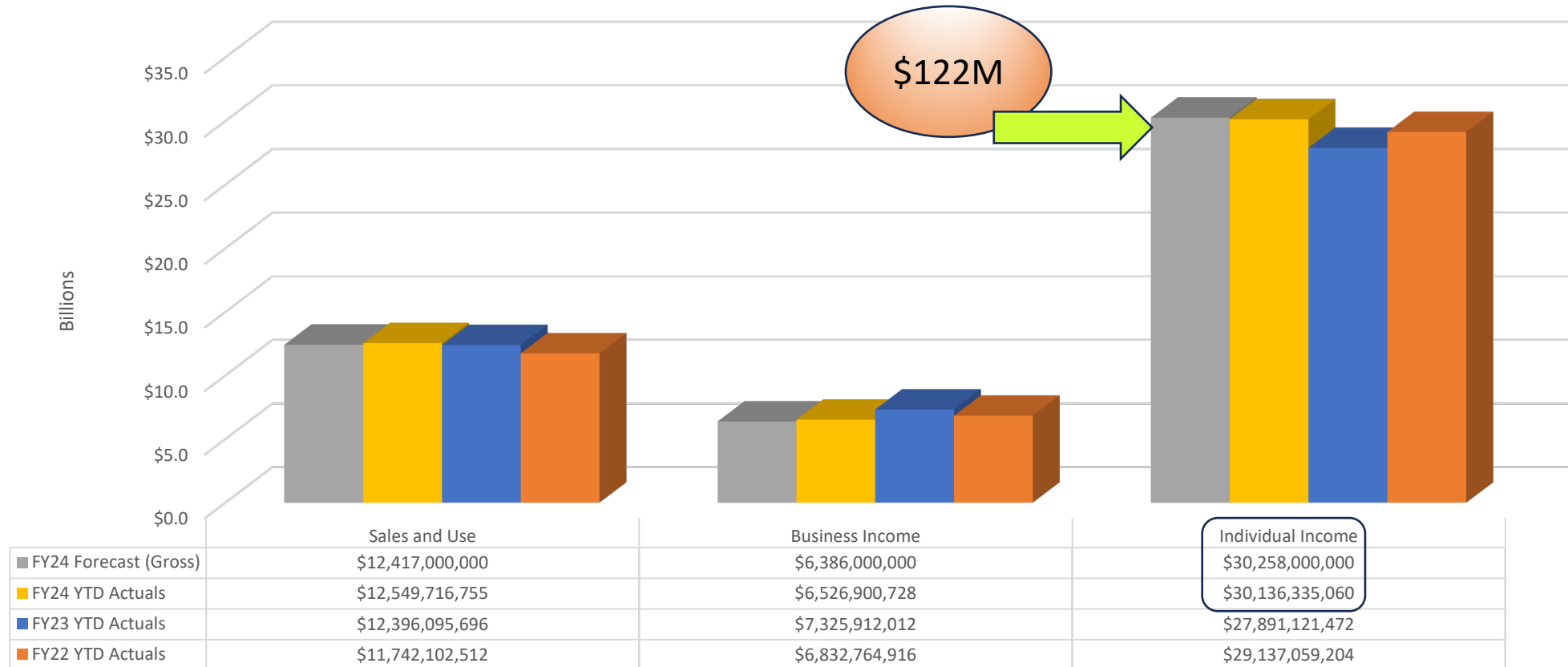
- Bridget DiBattista – General Counsel
- Rebecca Kulekowskis – Chair, Board of Appeals
- Rubina Hafeez – Chief Economist

## Recent Senior Staff Appointments

- Max Letterly – Manager, Audit Bureau
- Kendra Banning – Manager, Taxpayer Assistance
- Shelby Kaiser – Equal Employment Opportunity Officer

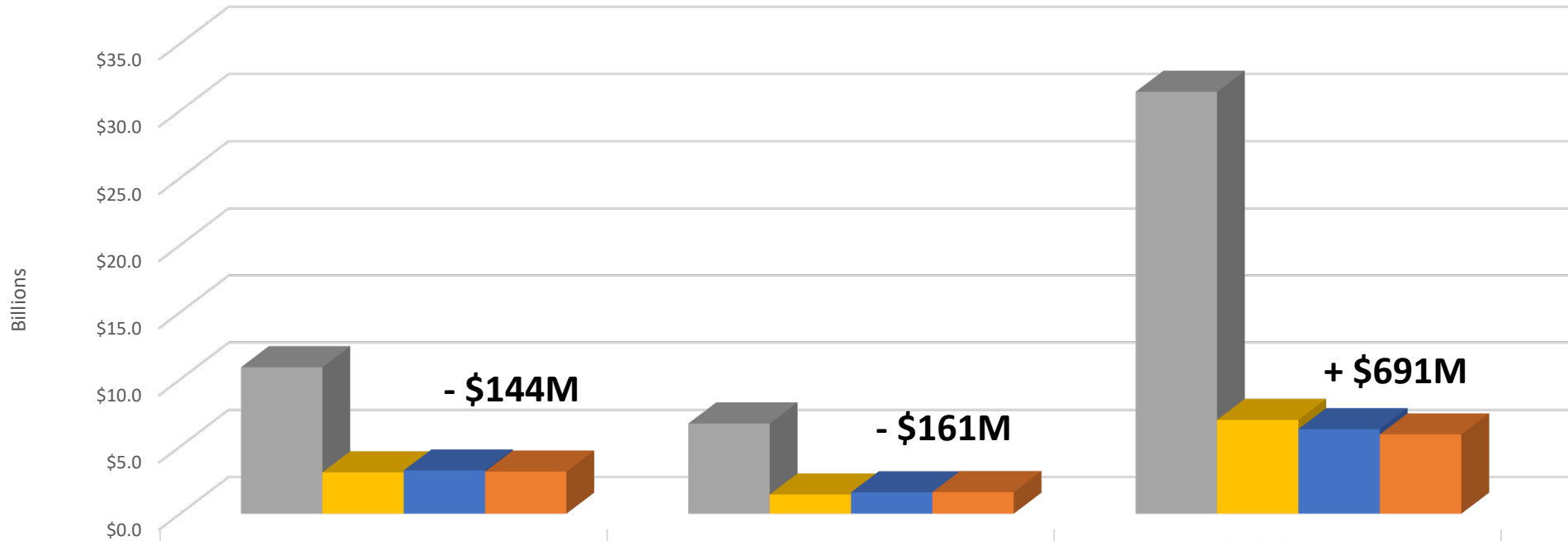
# FY'24 Total Tax Receipts – Big Three

Fiscal Year-to-Date (Jul-Jun) Sales and Income Tax Receipts



# FY'25 Q1 Tax Receipts – Big Three

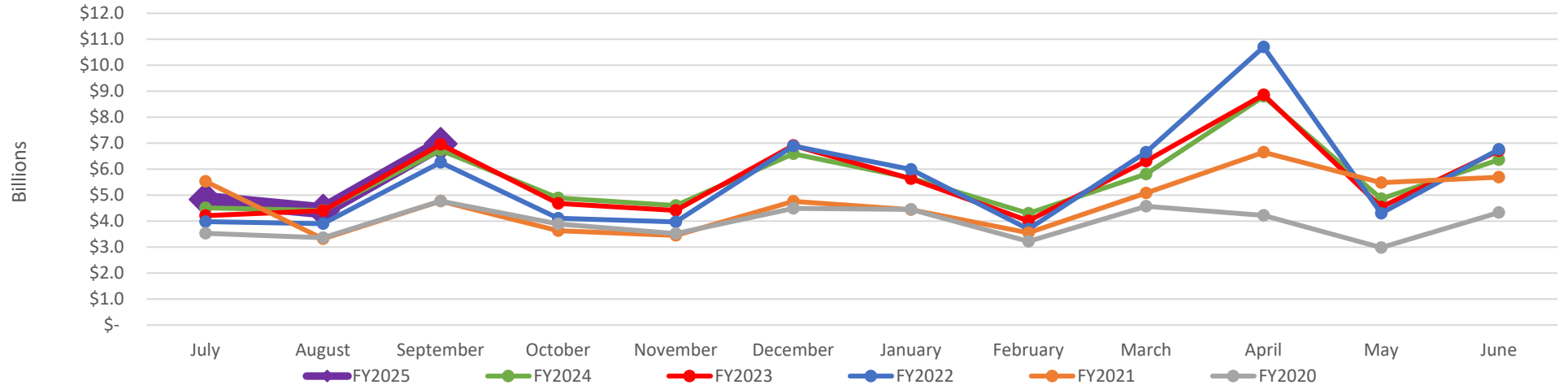
Fiscal Year-to-Date (Jul-Sep) Sales and Income Tax Receipts



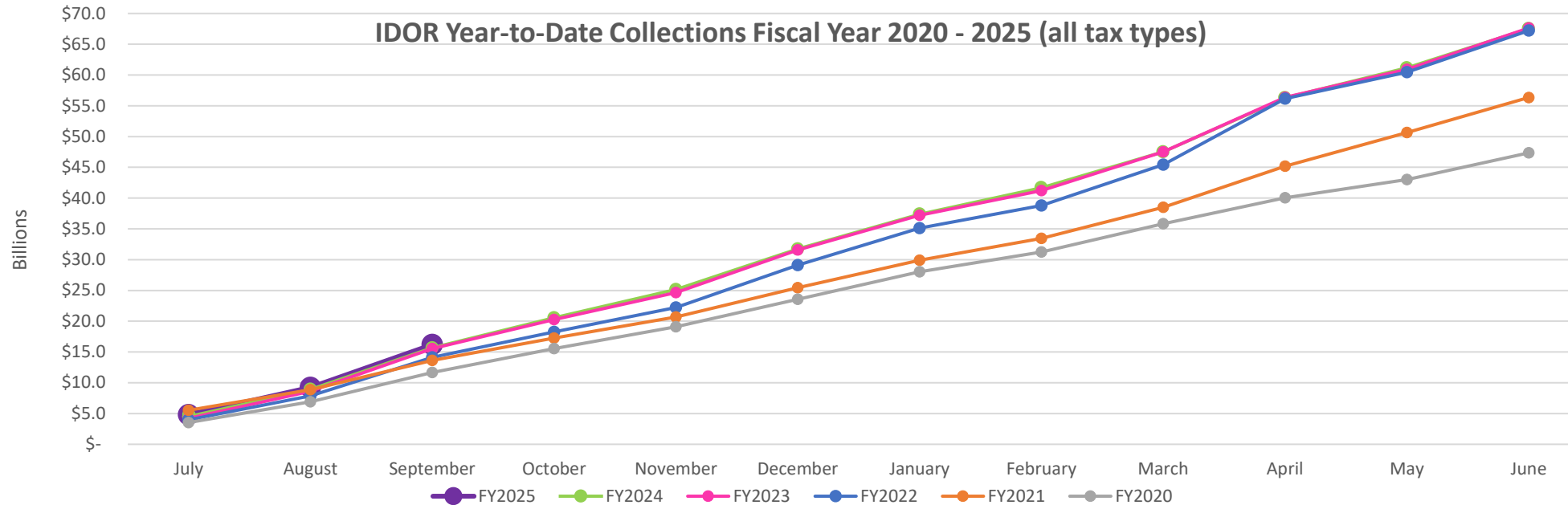
	Sales and Use	Business Income	Individual Income
■ FY25 Forecast (Gross)	\$10,907,000,000	\$6,714,900,000	\$31,410,000,000
■ FY25 YTD Actuals	\$3,074,502,712	\$1,426,841,416	\$6,983,875,727
■ FY24 YTD Actuals	\$3,218,715,791	\$1,587,947,895	\$6,292,880,609
■ FY23 YTD Actuals	\$3,136,259,798	\$1,606,228,187	\$5,902,381,544

# Total Tax Collections - Historical

IDOR Collections Fiscal Year 2020 - 2025 (all tax types)



IDOR Year-to-Date Collections Fiscal Year 2020 - 2025 (all tax types)



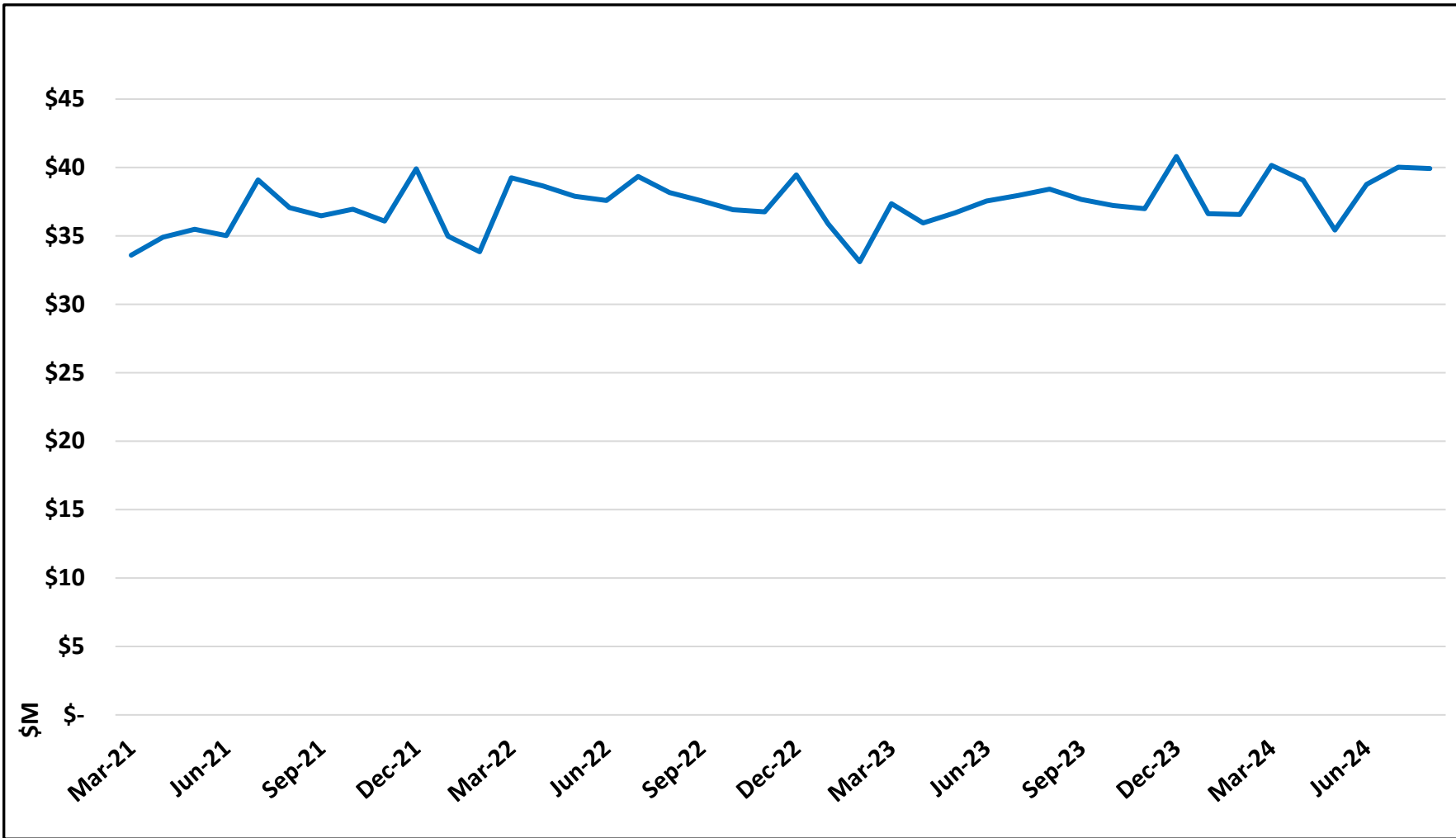
# FY'25 Enacted General Funds Budget

(in Millions)

• Estimated Revenues:	\$53,281
• Estimated Expenditures:	<u>\$53,070</u>
• Surplus:	<u>\$ 211</u>
• Contribution to Budget Stabilization Fund:	<u>\$ 198</u>
• Adjusted Base Surplus:	<u>\$ 13</u>



# Cannabis Tax Receipts



## Total Receipts by CY:

CY'20	\$ 191,526,635
CY'21	\$ 417,128,356
CY'22	\$ 450,463,951
CY'23	\$ 445,609,375
<b>CY'24 (Jan-Aug)</b>	<b>\$ 306,586,449</b>
<b>TOTAL</b>	<b>\$1,811,314,767</b>

## Tax Revenues to Locals (to date):

MCAN :	\$ 140,091,594
CCAN :	\$ 131,874,873

# Gaming Tax Receipts

## Non-IDoR Revenue Sources

Casino / Video Gaming Terminals / Lottery / Sports Wagering

	<u>Casino</u>	<u>VGTs</u>	<u>Lottery</u>	<u>Sprts Wgng</u>
FY'17	\$ 475 million	\$ 360 million	\$ 738 million	
FY'19	\$ 454 million	\$ 478 million	\$ 735 million	
FY'21	\$ 152 million	\$ 657 million	\$ 786 million	\$ 57 million
FY'22	\$ 272 million	\$ 895 million	\$ 833 million	\$ 92 million
FY'23	\$ 306 million	\$ 959 million	\$ 872 million	\$ 142 million
FY'24	\$ 331 million	\$ 997 million	\$ 886 million	\$ 166 million

FY'24 Total: **\$2.09 Billion** (+ 4.8%) Source: COGFA “Wagering in Illinois” 2024 Update

# Key Statutory Tax Law Changes

- Reinstatement of a limit on Net Operating Losses (NOL)
- Limitation on Vendor Discount Allowance
- Change in Taxation on Leases
- Grocery Tax Elimination



# Sales and Excise Tax Updates

Alexis K. Overstreet  
Deputy General Counsel  
Sales and Excise Tax Policy

# Lease Tax – P. A. 103-592

"Lease" means a transfer of the possession or control of, the right to possess or control, or a license to use, but not title to, tangible personal property for a fixed or indeterminate term for consideration, regardless of the name by which the transaction is called. "Lease" does not include a lease entered into merely as a security agreement that does not involve a transfer of possession or control from the lessor to the lessee.

On and after January 1, 2025, the term "sale", when used in this Act, includes a lease.

Section 2 of the Use Tax Act.

# Lease Tax – P. A. 103-592 – page 2

- 86-54 Credit
  - Cannot be filed until lessor sells the item after using it for lease purposes.
  - See 86 Ill. Adm. Code 130.2013(h) for specifics.
  - Claims must include documentation of the sale at the end of a lease, and documentation of UT paid at initial purchase of the item.
- Licenses of Computer Software
  - Formerly treated as a nontaxable transaction under 86 Ill. Adm. Code 130.1935
  - Under P. A. 103-592, listed as exemption
  - Exemption expires by operation of law in 5 years
- No change to titled and registered property (except trailers that are NOT semi-trailers)

# UT to ROT Conversion – P. A. 103-983

## Destination-based ROT

- means the total State and local ROT rate calculated for a sale using the rate in effect at the Illinois location to which the tangible personal property is shipped or delivered or at which possession is taken by the purchaser.

Currently, destination-based ROT is used by:

- Remote retailers who hit a threshold
- Marketplace sellers' sales over a marketplace
- Marketplace facilitators' own sales over a marketplace that are sourced outside of this State

# UT to ROT Conversion – P. A. 103-983

– page 2

Effective January 1, 2025

Affects all retailers maintaining a place of business in this State making sales to Illinois customers from outside this State

- Out-of-State retailers with physical presence
- Illinois retailers

Determined by using sourcing rules in 86 Ill. Adm. Code 270.115

- Same sourcing rules used since *Hartney*

No mandatory Use Tax Collectors as of January 1, 2025



# UT to ROT Conversion – P. A. 103-983

– page 3

Affected retailers must:

- determine the correct State and local tax amounts to remit based on the taxing location to which the tangible personal property is shipped or delivered or at which possession is taken by the purchaser
- register the taxing location to their account before filing the return for the period in which the sale took place
  - MyTax Illinois allows users to add or remove locations using the Maintain Locations link in your Sales and Use Tax (ST-1) account.
  - You must register any new sites prior to filing the return that includes sales made to that location.
  - You also can contact IDOR for assistance adding locations.

# UT to ROT Conversion – P. A. 103-983

– page 4

Affected retailers must (continued):

- properly report destination-based sales on Form ST-1, on Lines 4a and 5a, and
- complete Form ST-2, Multiple Site Form, to report destination-based sales by location

# UT to ROT Conversion – P. A. 103-983

– page 5

## Coming Guidance

- Rules are drafted and undergoing internal review
- Informational Bulletin will be out shortly
- MyTax Illinois prompts
- Leveling the Playing Field Resource page updates
- Flow Charts

# Retailers' Discount Cap – P. A. 103-592

- Impacts December periods
  - effective for all returns (periodic and transaction) **due on or after January 1, 2025**
  - applies to vehicle sales with a delivery date on or after December 12, 2024
  - **EXAMPLE:** Dealer A sells a vehicle on December 15, 2024. Dealer A files an ST-556 for that vehicle with the Department on December 24, 2024. This ST-556 is subject to the retailers' discount cap.
- Transaction Returns
  - Impacted returns: ST-556, ST-556-X, ST-556-LSE, ST-556-LSE-X
  - Capped at \$1000 per month aggregate of all transaction returns filed
  - IDOR will calculate available discount for the month
  - IDOR will refund the dealer after the end of the reporting period
  - Greying out the discount line so dealers cannot claim at the time of filing

# Compliance Issue – SaaS Subscriptions

- Illinois does not tax subscriptions of software as a service
- For software to be subject to tax, the buyer must receive something tangible
- One combined transaction: app is downloaded, and SaaS subscription is purchased may result in tax liability for purchaser
- Two separate transactions:
  - First, download app for free
  - Second, sign up for and purchase SaaS subscription for a price
  - No tax incurred by purchaser in this situation

# Rulemaking – Spring 2024 Implementations

## Direct Pay Program

- Creates new Section 130.2532
- P. A. 103-0966

## HOOT Re-Renters

- Amends 480.101, 105, 110, 115, and 125
- P. A. 103-0592

## CPI Motor Fuel Tax Calculation Clarification

- 500.200
- P. A. 103-0995

## Home-Delivered Meals Exemption

- Amends 130.120 and 140.125
- P. A. 103-0384

# Rulemaking – General and Cleanups

## Aviation Fuel Exemption

- Amends multiple Parts of Title 86
- P. A. 100-0010 and 101-604 - exempted aviation fuel from various local occupation taxes, the Motor Fuel Tax on Receivers, and the Environmental Impact Fee
- Will be filing First Notice in the next week

## Automobile Renting Occupation and Use Tax

- Amends multiple Sections of Parts 180 and 190
- First Notice ends 12/2/2024

## Update to Record Keeping Requirements

- Amends 130.801, 805, 810, 820, and 825
- First Notice ends 11/18/2024

# Rulemaking – General and Cleanups - page 2

## Production Agriculture

- Amends 130.305 and multiple other Sections of Part 130
- First Notice ends 11/4/2024

## REV/MICRO

- Creates New Sections 130.1958, 130.1959, 470.132, and 470.133
- Amends Section 495.100
- Second Notice ends 10/27/2024

## Electricity Excise Tax

- Amends multiple Sections of Part 511
- Second Notice 11/27/2024





# Income Tax Updates

Brian E. Fliflet

Deputy General Counsel

Income Tax Policy

# Legislation

## Net Loss Deduction

- Capped at \$500,000 for tax years ending on or after 12/31/2024 and prior to 12/31/2027
- Any year subject to the cap is not counted toward the 20-year expiration

## Financial Organizations

- Changes apportionment method for investment income from situs of the investment activities to the ratio of receipts from non-investment and trading activities divided by total receipts
- Separate company or combined group?
- Based on *General Telephone Co. v. Johnson*, 103 Ill. 2d 363 (1984), use the *individual group member's* receipts as the numerator and the *entire unitary group's* receipts as the denominator

# Legislation (page 2)

## Angel Investment Credit

- Gives DCEO discretion on whether to claw back credits in cases where the new business venture failed to comply with minimum employment thresholds during the pandemic

## Illinois Gives Tax Credit

- Credit equal to 25% of contributions made to a qualified community foundation that maintains a permanent endowment fund
- Credit may not exceed \$100,000 per taxpayer (\$100,000 each if joint return)
- Contributions to a qualified community foundation may not exceed \$3 million
- Total amount of credits may not exceed \$5 million per year
- Available for tax years ending on or after 12/31/2025 and prior to 1/1/2030

# Legislation (page 3)

## Quantum Computing Campus Tax Credit

- Credit equal to 20% of wages paid to employees of a construction contractor to fabricate an eligible facility located in a quantum computing campus

## Child Tax Credit

- For taxpayers with at least one child under age 12 at the end of the tax year
- Credit equal to 20% of Illinois Earned Income Tax Credit computed under 35 ILCS 5/212 for 2024 and 40% of Illinois EITC for tax years beginning on or after 1/1/2025
- Credit is refundable

## Volunteer Emergency Worker Credit

- Expanded to include volunteer emergency disaster workers for tax years ending on or after 12/31/2024

# Legislation (page 4)

## Local Journalism Sustainability Credit

- Withholding credit for local news organizations that employ qualified journalists for reporting periods beginning on or after 1/1/2025 and before 1/1/2030

## Live Theater Production Credit

- Beginning 7/1/2024, “accredited theater production” also includes qualified non-profit theater productions
- For FY 2025 and thereafter, the amount of credits may not exceed \$6 million, with no more than \$2 million awarded to each category: long-run and pre-Broadway productions, commercial Broadway touring shows, and non-profit theater productions
- Non-profit theater productions may use the credit, not to exceed \$100,000, against withholding tax

# Legislation (page 5)

## Music and Musicians Tax Credit

- For qualified music companies in an amount certified by DCEO for tax years beginning on or after 1/1/2025
- Amount of credits may not exceed \$2 million per year

## Wages Paid to Returning Citizens Credit

- Renamed credit for wages paid to ex-felons
- Credit equal to 15% of qualified wages beginning 1/1/2025
- Credit may not exceed \$7,500 per qualified returning citizen
- Total credits awarded may not exceed \$1 million per year

## Deduction for Student Loan Repayment Assistance

- Adds 35 ILCS 5/201(a)(2)(LL) to provide a deduction for student loan repayment assistance from qualified community foundations

# Legislation (page 6)

## Sunset Extensions

- Adoption Credit to TYE before 12/31/2029
- Student Assistance Contributions Credit to TYE before 12/31/2029
- R&D Credit to TYE before 1/1/2032

# Rulemaking

## Investment Partnerships

- 86 IAC 100.7034, 100.9730 (eff. 7/11/2024)
- Implements expanded definition of investment partnership in P.A. 103-0009
- Explains requirement for withholding from nonresident partners for tax years ending on or after 12/31/2023 and provides examples
- Examples 5 and 8 address tiered partnership structures. Upper-tier partnership is required to withhold but may take credit for withholding by lower-tier partnership
- Since adoption, some issues have arisen
  - Does not address foreign tax credit under IITA section 601(b)(3)
  - Does not define “qualified investment security”



# Rulemaking (page 2)

## ICB Rights and Limitations

- 86 IAC 215.115, 215.120 (eff. 6/25/2024)
- Extends time that must remain to issue NOD from 60 days to 180 days
- Expands jurisdiction to review audit adjust resulting in loss reductions

## MICRO Investment Tax Credit

- 86 IAC 100.2136 (eff. 6/25/2024)
- Implements new IITA section 239 creating credit for investment in qualified property placed in service at a MICRO Illinois project (microchip manufacturing)

## EDGE Credit

- 86 IAC 100.2198, 100.7380 (eff. 1/29/2024)
- Clarifies how and when to claim credit
- Adds credit for startup taxpayers

# Rulemaking (page 3)

## Late Payment Penalties for RARs

- 86 IAC 700.305 (eff. 1/31/2024)
- Must file amended return and pay tax

## Volunteer Emergency Worker Credit

- 86 IAC 100.2179 (eff. 3/1/2024)
- Creates process for applying for \$500 tax credit for volunteer firefighters

## Standard Exemption

- 86 IAC 100.2055 (eff. 1/10/2024)
- Remains \$2,425 for 2023 then COLA resumes for 2024-2028

## Earned Income Tax Credit

- 86 IAC 100.2199 (eff. 1/10/2024)
- Increased to 20% of federal EITC and expanded to include taxpayers without SSNs and taxpayers 18-25 and over 65 without dependents

# Litigation

Dubow v. IDOR, 22-TT-31 (Aug. 29, 2024)

- Foreign tax credit under 35 ILCS 5/601(b)(3)
- Schedule CR allocates deductions for alimony and HSA payments to non-Illinois portion of income
- Taxpayer sought pro-rata allocation
- Lunding v. New York Tax Appeals Tribunal, 522 U.S. 287 (1998)
- “Petitioner has not provided any persuasive argument that the Department’s rule for allocating the alimony and HAS deductions in the same manner to residents and nonresidents is unreasonable.”

# Replacement Tax Investment Credit

OLD

- 19 Subtract Line 18, Column B, from Line 18, Column A and enter the result here.  
If the amount is **positive**, continue to Line 20.  
If the amount is **zero or negative**, **stop here**, enter zero on Line 3, and continue to Line 4.  
You do not qualify for the additional credit. 19 \_\_\_\_\_
- 20 Divide Line 19 by Line 18, Column B. Round the result to six decimal places and enter the amount here.  
If the amount is .01 or larger, **stop here** and enter the amount from Line 2, Column H,  
on Line 3. If this amount is less than .01, continue to Line 21. 20 \_\_\_\_\_
- 21 Multiply Line 20 by 50% (.50). Round to six decimal places and enter the result here. 21 \_\_\_\_\_
- 22 Multiply Line 2, Column G, by Line 21, and enter the result here and on Line 3. 22 \_\_\_\_\_

IL-477 (R-12/19)

This form is authorized as outlined by the Illinois Income Tax Act. Disclosure of this information is REQUIRED. Failure to provide information could result in a penalty.

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NEW

- 20 Divide Line 19 by Line 18, Column B. Round the result to six decimal places and enter the amount here.  
If the amount is .01 or larger, **stop here** and enter the amount from Line 2, Column H, on Line 3.  
If this amount is less than .01, continue to Line 21. 20 \_\_\_\_\_
- 21 Multiply Line 20 by 50% (.50). Round to six decimal places and enter the result here. 21 \_\_\_\_\_
- 22 Multiply Line 2, Column G, by Line 21, and enter the result here and on Line 3. 22 \_\_\_\_\_

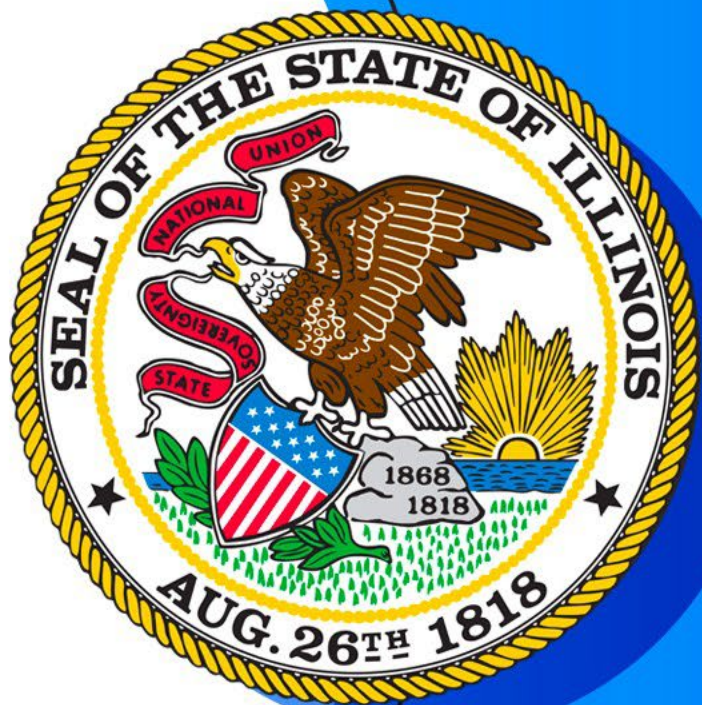
### Step 3: Affirm the listed credits are valid

- By checking this box, I affirm that the replacement tax investment credits listed are valid and are based on costs incurred pursuant to a binding contract entered into on or before December 31, 2018.

IL-477 (R-12/24)

This form is authorized as outlined by the Illinois Income Tax Act. Disclosure of this information is REQUIRED. Failure to provide information could result in a penalty.

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# Informal Conference Board

Africa Robinson  
ICB Administrator

# ICB At A Glance

## Who's Who:

- ICB Administrator
  - Africa Robinson [Africa.rev@illinois.gov](mailto:Africa.rev@illinois.gov)
- Conferees:
  - Chad Estes [Chad.Estes@Illinois.gov](mailto:Chad.Estes@Illinois.gov)
  - Dale Marx [Dale.Marx@Illinois.gov](mailto:Dale.Marx@Illinois.gov)>
  - Laurie Evans [Laurie.Evans@illinois.gov](mailto:Laurie.Evans@illinois.gov)
  - Phil Bolander [Philip.Bolander@illinois.gov](mailto:Philip.Bolander@illinois.gov)
  - Tim Emrick [Timothy.Emrick@Illinois.gov](mailto:Timothy.Emrick@Illinois.gov)
- Office Assistant:
  - Rebecca Cutler [Rebecca.Cutler@Illinois.gov](mailto:Rebecca.Cutler@Illinois.gov)

## In General:

- 86 Ill. Adm. Code 215
- ICB review is not a re-audit
- Request for documents
- Conference upon request only
- Offers in Compromise
- Hiring

A photograph of a dark green folder with a white label that reads "AUDIT REPORT" in bold black letters. The folder is open, revealing a light green sheet of paper and a silver and black fountain pen. The folder is resting on a desk with several colorful sticky tabs visible at the bottom.

# AUDIT REPORT

## ICB Rights

- Notice of proposed Audit Result
- Statute waiver
- 60-day countdown

# ICB – 1

## Request for Review

- Received or postmark date
- Must raise an objection
- Power of Attorney (POA)
- Settlement offer





# ICB – 2

## Settlement Offer

- To or by ICB
- Prior to Action Decision (AD)
- Review and Approval



# Action Decision (AD)

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Conferee Recommendation

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Decision of ICB Board members

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Notice to taxpayer and auditor

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Not subject to administrative review

# Additional IDOR Resources

## Administrative Hearing:

- Qualified protest
- Quasi-judicial proceeding
- Settlement offers
- Unfavorable determination
- [Rev.AdminHearings@illinois.gov](mailto:Rev.AdminHearings@illinois.gov)

## Independent Tax Tribunal:

- File within specified time on notice
- Tax liability (excluding P & I) is more than \$15,000 or
- No tax liability but P & I is more than \$15,000
- [ITT.TaxTribunal@illinois.gov](mailto:ITT.TaxTribunal@illinois.gov)

# Additional IDOR Resources — page 2

## **Court:**

- Waive Admin Hearing
- Form RR-374 or Written Letter
- File a complaint
- Obtain injunction
- Service

## **Board of Appeals:**

- Final Notice
- Abatement of P&I
- Offers in Compromise
- Form BOA -1
- [Rev.BoardOfAppeals@illinois.gov](mailto:Rev.BoardOfAppeals@illinois.gov)

# Key Takeaways

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- Objection to Audit Result
- ICB -1 (60 days to file)
- Form IL-2848 Power of Attorney
- ICB -2 (Before Action Decision)
- PIO 58 (ICB Overview)
- ICB Email: [REV.ICB@Illinois.gov](mailto:REV.ICB@Illinois.gov)

## Contact Information:

**David Harris**

217.785.7570 or 312.814.3190

Rev.Directors.Office @illinois.gov

**Alexis Overstreet**

217.782.9933

Alexis.Overstreet@illinois.gov

**Brian Fliflet**

312.814.0004

Brian.Fliflet@illinois.gov

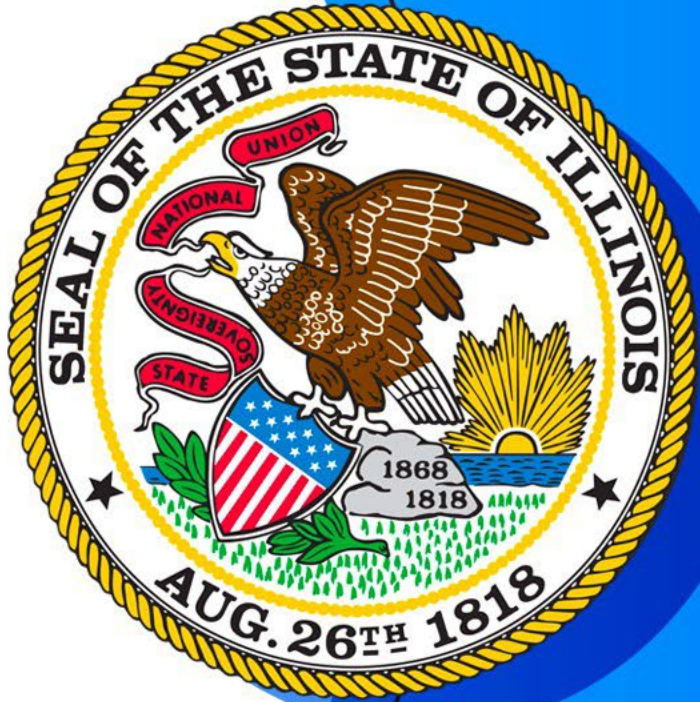
**Africa Robinson**

217.785.6587

Rev.ICB@illinois.gov

**Department : tax.illinois.gov**





# ILLINOIS REVENUE





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TAXPAYERS'  
FEDERATION  
— OF ILLINOIS —

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# Questions for the Department?

Cate Battin, McDermott Will & Emery LLP

Email [cbattin@mwe.com](mailto:cbattin@mwe.com)

David Dorner, Reed Smith LLP

Email [ddorner@reedsmith.com](mailto:ddorner@reedsmith.com)



# Replacement Tax Investment Credit

We understand auditors have been reviewing claims for the State's Replacement Tax Investment Credit, which sunset at the end of 2018, except for narrow situations where a taxpayer has incurred costs pursuant to a binding contract entered into on or before December 31, 2018. The Form IL-477 is still out there and exists because of this one instance where the credit still applies. While the instructions are clear that the credit cannot include costs incurred after December 31, 2018, the face of the form is not. So, the question is, would the Department consider making the form clear that the credit has sunset?



# Illinois Pass-Through Entity Tax

Does the IDOR have any appetite to work with the legislature in order to expand the utility of the Illinois PTET for resident taxpayers so that the pass-through entity could pay tax on 100% of the resident's income (similar to how New York approaches the issue)? There should be no downside for Illinois.



# Direct File Program

IRS' Direct File program has expanded and will be available to residents (who meet the criteria) of 24 states for returns filed in 2025. The Department had concerns and was wary when Direct File was first rolled out. Has the Department's view of Direct File changed since it was first introduced? Illinois so far is not participating. What would need to change for Illinois to participate in the future?



# Alternative Ways to Contact Department for Assistance

When calling the SUT processing center for a question relating to SUT, I get a different answer every time. Example: I am trying to amend a return that was submitted by a third party software vendor. It took four calls to find out that I have to submit a paper ST-1X Amended return and unable to submit via MyTax portal. Is there another number to call if I cannot get the answers I am looking for?



# Thoughts on Illinois Service Sales Tax

A lot of local governments are looking for additional revenue including public transit. One common suggestion is that consumer services should be subject to sales tax. If the legislature wanted to tax some of these consumer services, for example, haircuts, manicures, and other grooming services, does the Department have an opinion on whether the ROT and SOT can be expanded to include these services, or whether a new tax would need to be enacted (which would be more burdensome to a hair salon), similar to the Parking Excise Tax in order to survive a constitutional challenge?



# Retirement Income Distributed to Partners

Can the K-1-P be updated to include a modification for retirement income distributed to retirement partners?

Occasionally we run into a processing issue on the individual returns where they won't process because it isn't on the K-1-P, but there is no place for it on the K-1-P.



# Certified Service Providers for Remote Sellers

What is the status on negotiating for a CSP for remote sellers to use where IL will provide this free for qualifying remote sellers?



# Marketplace Facilitators Below Economic Thresholds

In Regulation Section 131.135 it states that if a marketplace facilitator falls below the economic thresholds, it must stop collecting tax. Is there no provision for a marketplace facilitator that is below the economic thresholds but otherwise meets the definition of a marketplace facilitator to voluntarily collect if they follow all the notification provisions otherwise required? This would also apply for a new marketplace before it reaches the threshold.





# Statute of Limitation – Federal Change and R&D

Background: Taxpayer filed Federal and Illinois tax returns and did not claim an R&D credit. Sometime thereafter, the taxpayer filed amended Federal and Illinois returns claiming an R&D credit. The IRS is disputing the R&D expenditures, and it does not appear that the issue will be resolved anytime soon. The Illinois R&D credit depends on this federal determination. The Illinois auditor wants to deny the credit, since, as of today, there are no qualified federal R&D expenditures. The Illinois return is past the statute of limitations, and the only reason it is still open, is the Taxpayer and the Department have agreed to keep it open.

Question: Illinois law provides an exception to the normal statute of limitations for a refund if there is federal change under Section 506(b). If the taxpayer agrees to the denial of the Illinois R&D credit, but at some point in the future, the IRS agrees to at least some of the R&D expenditures, could the taxpayer file a second IL amended return to claim the IL R&D credit, even though the regular statute of limitations has passed and the credit has already been denied (with taxpayer agreement)?



# Additional Questions?

Any other questions for the Department?

