

General Information Letter: No estimated tax payments are due for short taxable years.

December 15, 2008

Dear:

This is in response to your letter dated November 6, 2008 in which you request a letter ruling. The nature of your request and the information you have provided require that we respond with a General Information Letter (GIL). A GIL is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 86 Ill. Adm. Code 1200.120(b) and (c), which may be found on the Department's website at www.revenue.state.il.us

In your letter you have stated the following:

This will confirm our conversation today whereby you advised that the guidance provided in IT 07-0020-GIL determining that no estimated payments are required for a short period tax year since Regulations have not been promulgated in accordance with the Illinois Statutes is still valid. You also advised that this is applicable to any Taxpayer and that several additional GILs have been issued providing the same guidance.

Please let me know if I have misstated anything or you are not in agreement with the above.

RULING

IITA section 803(f) states that, in the case of a short taxable year (i.e. a taxable year of less than 12 months) the requirement to pay estimated tax for the taxable year shall be in accordance with regulations prescribed by the Department. To date, the Department has not promulgated regulations prescribing the application of IITA section 803 to a short taxable year, and therefore estimated tax is not required to be paid for a short taxable year. Accordingly, any taxpayer having a short taxable year has no Illinois estimated tax obligation for such year and there can be no penalty for failure to pay estimated tax for a short taxable year.

As stated above, this is a GIL. A GIL does not constitute a statement of policy that applies, interprets or prescribes the tax laws, and it is not binding on the Department. If you have further questions regarding this GIL, please call (217) 782-7055. If you have additional questions regarding Illinois income tax laws, please visit the Department's web site at www.iltax.com.

Sincerely,

Brian L. Stocker
Associate Counsel (Income Tax)