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DEPARTMENT OF REVENUE

NOTICE OF PROPOSED REPEALER

- 1) Heading of the Part: TeleFile Program
- 2) Code Citation: 86 Ill. Adm. Code 770
- 3) 

<u>Section Numbers:</u>	<u>Proposed Action:</u>
770.100	Repeal
770.105	Repeal
770.110	Repeal
770.120	Repeal
770.130	Repeal
770.140	Repeal
770.150	Repeal
- 4) Statutory Authority: 20 ILCS 2505/2505/200; 35 ILCS 120/3
- 5) A Complete Description of the Subjects and Issues Involved: This rulemaking repeals both the Department's mandatory and voluntary sales tax TeleFile Program.
- 6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None
- 7) Will this proposed rule replace an emergency rule currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this proposed repealer contain incorporations by reference? No
- 10) Are there any other proposed amendments pending on this Part? No
- 11) Statement of Statewide Policy Objectives: This rulemaking does not create a State mandate, nor does it modify any existing State mandates.
- 12) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to submit comments on this proposed rulemaking may submit them in writing by no later than 45 days after publication of this Notice to:

Jerilynn T. Gorden  
Deputy General Counsel – Sales & Excise Taxes  
Illinois Department of Revenue  
Legal Services Office  
101 West Jefferson  
Springfield, Illinois 62794  
(217) 782-2844

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13) Initial Regulatory Flexibility Analysis:

- A) Types of small businesses, small municipalities and not for profit corporations affected: Small businesses that participate in the Department's voluntary TeleFile Program for sales taxes will be affected; this repeal will also affect liquor retailers that are required to telefile their ST-1 tax returns and include a monthly statement of alcoholic liquor purchases.
- B) Reporting, bookkeeping or other procedures required for compliance: Persons participating in the voluntary Telefile Program for sales and use taxes must either file electronically or on paper. Liquor retailers required to file monthly statements of liquor purchases must file electronically. General bookkeeping, computer skills, if filing electronically.
- C) Types of professional skills necessary for compliance: Tax, accounting

14) Regulatory Agenda on which this rulemaking was summarized: This rulemaking was not on the last Regulatory Agenda because it was unanticipated at the time.

The full text of the Proposed Repealer begins on the next page:

TITLE 86: REVENUE  
CHAPTER I: DEPARTMENT OF REVENUE

PART 770  
TELEFILE PROGRAM

Section  
770.100 Voluntary TeleFile Program  
770.105 Mandatory TeleFile Program  
770.110 Exclusions from TeleFile  
770.120 How to Participate  
770.130 Personal Identification Number (PIN)  
770.140 Confirmation Numbers  
770.150 Due Dates and Date Received

AUTHORITY: Implementing and authorized by Section 2505-200 of Civil Administrative Code of Illinois [20 ILCS 2505/2505-200].

SOURCE: Adopted at 24 Ill. Reg. 8384, effective June 2, 2000; emergency amendment at 27 Ill. Reg. 18924, effective November 26, 2003, for a maximum of 150 days; emergency expired April 23,

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2004; amended at 28 Ill. Reg. 9670, effective June 23, 2004; amended at 30 Ill. Reg. 11596, effective June 26, 2006; repealed at 36 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.

**Section 770.100 Voluntary TeleFile Program**

- a) The Department has created a voluntary TeleFile program for certain tax returns. The Department will notify potential participants that they may voluntarily participate in the TeleFile program and TeleFile any of the returns listed in subsection (c) of this Section.
- b) "TeleFile" consists of a taxpayer using a touch-tone telephone to call a telephone number provided by the Department and reporting return information through the use of the number keys on the touch-tone telephone in response to an automated voice prompt system.
- c) The following type of return may be filed through the use of this voluntary TeleFile program: Form ST-1 Sales and Use Tax Return.
- d) The Department reserves the right to limit the number of participants in this voluntary TeleFile program if the level of participation either exceeds or is expected to exceed the Department's resources available for the program.
- e) Requirements for participation in the voluntary TeleFile program:
  - 1) The taxpayer must have on file with the Department of Revenue a properly completed Form NUC-1 Illinois Business Registration with an individual listed as the person responsible for the filing of the returns and the payment of taxes due;
  - 2) The taxpayer must be a single-site filer (has only one Illinois location from which retail sales are made); and
  - 3) The taxpayer must not be required to make quarterly monthly payments under the Retailers' Occupation Tax Act, the Use Tax Act, the Service Occupation Tax Act, or the Service Use Tax Act.

**Section 770.105 Mandatory TeleFile Program**

- a) The Department has created a Mandatory TeleFile program for certain tax returns. The Department will notify participants that they must participate in the Mandatory TeleFile program and TeleFile the returns listed in subsection (c) of this Section.

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- b) "TeleFile" consists of a taxpayer using a touch-tone telephone to call a telephone number provided by the Department and reporting return information through the use of the number keys on the touch-tone telephone in response to an automated voice prompt system.
- c) The following type of return must be filed through the use of this mandatory TeleFile program: Form ST-1 Sales and Use Tax Returns filed by liquor retailers that are required to provide a statement of the total amount of alcoholic liquor purchased by that liquor retailer during the previous month as required by 86 Ill. Adm. Code 130.552.
- d) Returns from taxpayers who are required to make quarter monthly payments under the Retailers' Occupation Tax Act, the Use Tax Act, the Service Occupation Tax Act, or the Service Use Tax Act are excluded from this mandatory TeleFile program.
- e) Taxpayers who are filing the returns listed in subsection (c) of this Section by means of the Department's electronic filing program under Part 760 are excluded from this mandatory TeleFile program for the period in which they are filing those returns under the provisions of 86 Ill. Adm. Code 760.

**Section 770.110 Exclusions from TeleFile**

The following types of returns are excluded from this TeleFile program:

- a) Returns that are not listed in Section 770.100(c) or Section 770.105(c).
- b) Returns listed in Section 770.100(c) or returns listed Section 770.105(c) that require additional forms or schedules, or that require the reporting of information that the Department is unable to currently accept through the TeleFile program.

**Section 770.120 How to Participate**

- a) Taxpayers whose participation is voluntary will receive the necessary information packet from the Department as they become eligible to file the returns listed in Section 770.100(c). Taxpayers whose participation is mandatory will be notified by the Department that they are required to file the returns listed in Section 770.105(c), and will also receive the necessary information packet. Participants must call the telephone number in the information packet provided.
- b) Participants must enter their Illinois Business Tax number (IBT number) and a Personal Identification Number (PIN) issued by the Department that will allow them access to the TeleFile system.

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- c) Participants will enter their information in accordance with the TeleFile instruction sheet provided by the Department through the use of the number keys on a touch-tone telephone in response to an automated voice prompt system.
- d) At the end of a successfully completed TeleFile filing, the automated voice prompt system will confirm the return has been filed with the Department by issuing a confirmation number as provided in Section 770.140 of this Part.
- e) Any balance due on a return filed through the use of TeleFile must be paid by the due date in the same manner as if the return was filed in a paper format. For example, a check for the proper amount due may be mailed to the Department or payment may be made through the use of electronic funds transfer (see 86 Ill. Adm. Code 750).
- f) Participants using the TeleFile system cannot recall or intercept a return that has been filed using the TeleFile system after that return has been confirmed as received. Participants wishing to make any changes to a return that has been filed using the TeleFile system must file an amended return in a paper format.

#### **Section 770.130 Personal Identification Number (PIN)**

- a) Potential voluntary participants that have listed an individual and provided that individual's signature on the taxpayer's registration form as being responsible for the filing of returns and payment of the tax for that taxpayer may be issued a PIN by the Department.
- b) The PIN issued by the Department, when utilized by the participant in combination with the participant's IBT number, will be used as the responsible person's electronic signature on the return that is filed through use of the TeleFile program. The use of the PIN in combination with the IBT number has the same legal effect as if the taxpayer had signed the return that is a part of that TeleFile filing.
  - 1) For returns listed in Section 770.105(c) that are required to be filed through the TeleFile program and that are filed by a corporate taxpayer whose registration does not list an individual as being responsible for the filing of returns and payment of the tax for that taxpayer, the use of the PIN in combination with the IBT number has the same legal effect as if the President of that corporation had signed the return that is part of that TeleFiling. Until such time as another person is identified by the corporation as being the person responsible for the filing of returns and payment of the tax, the President of the corporation is deemed to be the responsible party.
  - 2) For returns listed in Section 770.105(c) that are required to be filed through the

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TeleFile program and that are filed by a partnership whose registration does not list an individual as being responsible for the filing of returns and payment of the tax for that partnership, the use of the PIN in combination with the IBT number has the same legal effect as if the partners of that partnership had signed the return that is part of that TeleFiling. Until such time as another person is identified by the partnership as being the person responsible for the filing of returns and payment of the tax, the partners of that partnership are deemed to be the responsible parties.

- c) Participants are responsible for notifying the Department when the person listed and whose signature appears on the Department's records as being responsible for the filing of returns and payment of the tax for that taxpayer no longer has that responsibility or authority on behalf of the taxpayer. Upon such notification, the Department will void that PIN. When the Department receives the necessary information regarding the person who is responsible for the filing of returns and payment of the tax for that taxpayer, the Department will issue a new PIN to that participant.
- d) The participant is responsible for the security and safekeeping of the PIN. Participants must notify the Department if the security of the PIN has been compromised or a new responsible person has been appointed as required in subsection (c) of this Section. Upon such notification, the Department will void that PIN and a new PIN will be issued.

#### Section 770.140 Confirmation Numbers

- a) Upon successfully entering all of the required return information using the number keys on a touch-tone telephone, the participant will be given a confirmation number by the automated voice prompt system. A separate confirmation number will be given to the participant for each return that is successfully filed using the TeleFile system.
- b) Participants must maintain a record of the confirmation numbers in order to establish that the returns were received by the Department on the dates that the confirmation numbers were issued.
- c) Failure to receive a confirmation number means that the return was not filed using the TeleFile system.
- d) When an eligible return has not been confirmed after three attempts, the participant should contact the Department for assistance by calling the telephone number provided in the Department's TeleFile information packet.

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Section 770.150 Due Dates and Date Received

- a) The date that the telephone call is completed and a confirmation number is issued by the automated voice prompt system is the received date for the return to which the confirmation number relates. For example, if a telephone call is initiated on one date and completed on another date, the date that the telephone call is completed is the date of filing. The confirmation number must be received and the telephone call must be completed by 11:59 p.m. CST (adjusted for Daylight Savings Time) on that date for the return to be considered filed on that date.
- b) Returns that are filed through the use of TeleFile after the date that they are due will result in penalties for late filing as provided in 86 Ill. Adm. Code 700.300.
- c) If a return filing includes EFT debit payment information, the payment will be considered timely if all of the following conditions are met:
  - 1) The received date for the return in which the EFT debit payment is included is timely under subsection (a);
  - 2) The EFT debit payment date requested is no later than the due date or, if a payment date of the due date is unavailable, then no later than the next available business day after the due date; and
  - 3) A confirmation number for the EFT debit is received from the automated voice prompt system indicating that it was accepted in the same call as the return filing.
- d) Failure to receive a confirmation number for an EFT debit payment means that the debit was not accepted by the TeleFile system.