

ILLINOIS REGISTER

ILLINOIS DEPARTMENT OF REVENUE

NOTICE OF PROPOSED AMENDMENT

- 1) Heading of the Part: Taxpayer Rights
- 2) Code Citation: 86 Ill. Adm. Code 205
- 3) Section Number: 205.20 Proposed Action:
Amendment
- 4) Statutory Authority: Implementing the Taxpayers' Bill of Rights Act [20 ILCS 2520] and authorized by Section 2505-795 of the Civil Administrative Code of Illinois [20 ILCS 2505/2505-795].
- 5) A Complete Description of the Subjects and Issues Involved: Section 205.20 is being amended to conform with the current statutory text, 20 ILCS 2520/4 implemented by P.A. 93-951.
- 6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None
- 7) Will this proposed rulemaking replace an emergency rule currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this proposed rulemaking contain incorporations by reference? No
- 10) Are there any other proposed rulemakings pending on this Part? No
- 11) Statement of Statewide Policy Objectives: These rules do not create or enlarge a mandate as described in Section 3(b) of the State Mandates Act.
- 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:

Kimberly Rossini
Illinois Department of Revenue
Legal Services Office
101 West Jefferson
Springfield, Illinois 62794

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- 13) Initial Regulatory Flexibility Analysis:
- A) Types of small businesses, small municipalities, and not-for-profit corporations affected: None
 - B) Reporting, bookkeeping or other procedures required for compliance: None
 - C) Types of professional skills necessary for compliance: None
- 14) Small Business Impact Analysis: None
- 15) Regulatory Agenda on which this rulemaking was summarized: July 2023

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

Section 205.20 Department Responsibilities

The Department of Revenue shall have the following powers and duties to protect the rights of taxpayers

- a) *To furnish each taxpayer with a written statement of rights whenever such taxpayer receives a protestable notice, a bill, a claim denial or reduction regarding any tax. Such statement shall explain the rights of such person and the obligations of the Department during the audit, appeals, refund and collections processes.*
- b) *To include on all tax notices an explanation of tax liabilities and penalties.*
- c) *To abate taxes and penalties assessed based upon erroneous written information or advice given by the Department.*
- d) *To not cancel any installment contracts unless the taxpayer fails to provide accurate financial information, fails to pay any tax or does not respond to any Department request for additional financial information.*

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- e) *To place non-perishable property seized for taxes in escrow for safekeeping for a period of 20 days to permit the taxpayer to correct any Department error. If seized property is of a perishable nature and in danger of immediate waste or decay, such property need not be placed in escrow prior to sale.*
- f) *To place seized taxpayer bank accounts in escrow with the bank for 20 days to permit the taxpayer to correct any Department error.*
- g) *To adopt regulations setting standards for setting times and places for taxpayer interviews and to permit any taxpayer to record such interviews.*
- h) *To pay interest to taxpayers who have made overpayments at the same rate as interest charged on underpayments.*

To grant automatic extensions to taxpayers in filing income tax returns when such taxpayer has been granted an extension in filing a federal tax return.

- j) *To annually perform a systematic identification of areas of recurrent taxpayer non-compliance with rules or guidelines and to report its findings and recommendations concerning such non-compliance to the General Assembly in an annual report.*
- k) *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 the taxpayer's cooperation. If there are changes, the auditor is required to provide in writing to the taxpayer (i) the audit findings and (ii), unless the taxpayer declines, the audit methods and procedures (but not information concerning audit selection methods). The auditor must, at the request of the taxpayer, provide written information as to what records constitute the minimum requirements for record-keeping. If the auditor recommends changes in the record-keeping process, these recommendations must be provided in writing to the taxpayer. [20 ILCS 2520/4]*

(Source: Amended at 48 Ill. Reg. _____, effective _____)

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