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Bulletin

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This bulletin is written to inform you of recent changes; it does not replace statutes, rules and regulations, or court decisions.

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New Payment Equals Agreement Statute Effective January 1, 2024, for Sales, Use, and Excise Taxes and Fees

To: All taxpayers with an Illinois sales, use, or excise tax payment and reporting obligation

Public Act [103-0009](#), Article 100 amends the meaning of payments made for sales, use, and excise taxes and fees.

What is the new law?

Under the new law, any payment made, with the exception of quarter-monthly payments, constitutes an agreed liability by the taxpayer.

The Retailers' Occupation Tax Act, Section 4 is amended to include

Notwithstanding any other provisions of this Act, any amount paid as tax or in respect of tax paid under this Act, other than amounts paid as quarter-monthly payments, shall be deemed assessed upon the date of receipt of payment.

See the following page for a list of other Illinois tax and fee Acts to which this change also applies.

The Cigarette Machine Operators' Occupation Tax Act, Section 1-45, the Cigarette Tax Act, Section 9a, the Cigarette Use Tax Act, Section 13, and The Liquor Control Act, Section 8-5 are amended to include

Notwithstanding any other provisions of this Act, any amount paid as tax or in respect of tax paid under this Act, shall be deemed assessed upon the date of receipt of payment.

What is the effective date of the change?

The statute is effective for all payments, except quarter-monthly payments, made **on or after January 1, 2024**.

What are the effects of this change?

On and after January 1, 2024, if you do not agree with a protestable assessment for a sales, use, or excise tax or fee, you have two options:

- If you **do not pay** the assessment, you may file a protest and request a hearing through the Illinois Department of Revenue's (IDOR) Administrative Hearings or the Illinois Independent Tax Tribunal, as applicable; or
- If you **pay** the assessment, you must file a claim for credit or refund and, if the claim is denied, you will receive protest rights. You can file a protest of the claim denial and request a hearing through IDOR's Administrative Hearings or the Illinois Independent Tax Tribunal, as applicable.

Prior to January 1, 2024, making a payment did not necessarily mean agreement with the assessment of tax. Taxpayers under audit or examination could make a payment and retain the rights to review or protest disputed tax liabilities proposed or assessed by the Illinois Department of Revenue (IDOR).

Effective January 1, 2024, making a payment for an assessed sales, use, or excise tax or fee means you are agreeing to the liability, and you waive your right to

- review of your proposed audit findings with IDOR's Informal Conference Board (to the extent you make a payment of any tax shown due as a result of an auditor's report, Notice of Proposed Tax Liability, or Notice of Proposed Tax Liability and Claim Denial).
- protest through IDOR's Administrative Hearings or the Illinois Independent Tax Tribunal (to the extent you make a payment of any tax shown due as a result of an auditor's report, Notice of Deficiency, or Notice of Tax Liability). If you disagree with an assessment that you have paid, you will only receive protest rights if you file a claim for credit or refund and that claim is denied.

Unpaid (i.e., unagreed) amounts may be reviewed by the appropriate authority as long as the request is made within the review or protest timeframe allowed by Illinois law.

Note: These provisions do not change your right to make a payment under protest and pursue the matter in circuit court in accordance with Sections 2a and 2a.1 of the State Officers and Employees Money Disposition Act (30 ILCS 230/2a, 230/2a.1).

What Illinois Tax Acts and taxes are affected?

The following additional tax and fee Acts are impacted by the payment equals agreement changes made to Section 4 of the Retailers' Occupation Tax Act.

- Automobile Renting Occupation and Use Tax
- Cannabis Cultivation and Privilege Tax
- Electricity Excise Tax
- Environmental Impact Fee
- Hotel Operators' Occupation Tax
- Live Adult Entertainment Facility Surcharge
- Rental Purch. Agrmt. Occupation and Use Tax
- Renewable Energy/Coal Technology Charge
- Telecommunications Excise Tax
- Telecommunications Municipal Infrastructure Maintenance Fee
- Water and Sewer Assistance Charge
- Bingo License and Tax
- Cannabis Purchaser Excise Tax
- Energy Transition Assistance Charge
- Gas Revenue Tax
- Illinois Hydraulic Fracturing Tax
- Medical Cannabis Cult. Privilege Tax
- Parking Excise Tax
- Service Occupation Tax
- Tire User Fee
- Charitable Games
- Drycleaner Solvent Tax
- Energy Assistance Charge
- Gas Use Tax
- Illinois Pull Tabs & Jar Games
- Motor Fuel Tax Law
- Public Utilities Revenue Act
- Service Use Tax
- Tobacco Products Tax Act/1995
- Use Tax Act