

Illinois Department of Revenue

Federal State Exchange Unit (FSEU) – Frequently Asked Questions

What are the most common notices sent from FSEU?

- **Notice of Proposed Tax Due for Individual Income Tax (ITR-61-G and ITR-61-S)**
The Notice of Proposed Tax Due (ITR-61-G and ITR-61-S) is the first notification issued regarding an examination of a tax return. This notice is issued if the information we have available indicates there is a potential tax due and includes information on when and how to respond. Enclosed with the Notice of Proposed Tax Due is an EDA-131, Examiner's Report.
- **Notice of Unclaimed Earned Income Credit – Illinois Income Tax Refund (ITR-61-EIC)**
The Notice of Unclaimed Earned Income Credit - Illinois Individual Income Tax Refund Eligibility (ITR-61-EIC) is a notification issued regarding information we had available that indicates there is a potential tax refund due to an unclaimed Earned Income Tax Credit (EIC) and includes information on when and how to respond. Enclosed with the Notice of Proposed Tax Due is an EDA-131, Examiner's Report.
- **EDA-131 Examiner's Report (EDA-131)**
The Examiner's Report (EDA-131) is a detailed notification of the proposed changes made to your Illinois Income Tax Return. The information in this report should be compared to your federal and state tax records for accuracy. If you agree to the proposed tax due or to claim the proposed refund, sign this document and return it to the IDOR. If you disagree, see below.

Why did it take so long for the Illinois Department of Revenue (IDOR) to determine I owe individual income tax?

Illinois Department of Revenue (IDOR) completes an examination of information provided from the Internal Revenue Service (IRS) to determine if individual income tax is owed to the State of Illinois. This examination is dependent upon when the information provided to IDOR by the IRS is available. This information typically does not become available to IDOR until several years after returns are filed or examined by the IRS. There are also several other variables that effect when an examination is conducted, such as, the type of information received, the volume of information received, the statute of limitations, and current inventory and staff levels.

Will I receive a notice of tax due if the tax year is past the statute of limitations?

If you are receiving a notice, then the tax year is within the statute of limitations. The general Illinois statute of limitations is 3 years from the date your return was filed. Omission of Income greater than 25% extends the statute to 6 years from the date the return was filed. However, in certain instances, such as failure to file a return or failure to report a federal change resulting in an Illinois income tax balance due, there is no limitation.

Why am I being charged penalties and interest if this is the first notice I have received?

Penalties and interest are imposed for not filing or paying the tax reported or required to be reported on a return by the due date prescribed. In general, this is the original due date of the return. If you have additional questions about how penalties and interest are calculated, please see [Publication 103](#).

Can the penalties and interest be waived?

If you have a compelling reason for not filing and/or paying your tax and believe you made a good faith effort to comply with your tax requirements, you may be entitled to an abatement of penalties due to reasonable cause. You must provide your request for waiver of penalties in writing along with a detailed explanation and any documentation to support your claim.

What if I can't respond to my Notice of Proposed Tax Due within 30 days?

If you cannot provide the required information in response to the Notice of Proposed Tax Due within 30 days, a Notice of Deficiency will be issued. This notice will include the additional penalties and interest and provide an additional 60 days to respond or protest the tax due.

How do I pay?

- You may pay with an ACH debit transaction on MyTax.Illinois.gov. If the tax year you are paying is within the last three years, then you may select "Make an Individual Income Tax Payment". Otherwise, you must use the "Sign Up Now!" option to create an account.
- You may pay with a credit or debit card by using one of the vendors available. There is a convenience fee added when using these services. Choose one of the following to make your payment online:
 - [Link2Gov/FIS](#)
 - [ACI Payments, Inc.](#)
 - [paylTax as supported by Value Payments Systems](#)
- You may pay by mail by enclosing the voucher provided with your payment made payable to the "Illinois Department of Revenue" and include your Account ID in the memo line.

Can I get on a payment plan?

Yes. However, because the tax due is in the proposal stages, we must have an agreement before a payment plan can be established. To agree to the proposed tax due, you must sign the enclosed EDA-131, Examiner's Report. You may return this document to us with a written statement to request a payment plan.

I received a Notice of Deficiency; do I have to protest if I disagree?

If you disagree, depending on the amount of tax due, you must either file a petition with the Independent Tax Tribunal or protest with the Department on Form EAR-14. This begins a formal legal proceeding and may require representation. If you disagree but do not want to exercise your formal protest rights, you may provide the information requested in the Notice of Proposed Tax Due or on another notice to resolve your account.

How do I know if I should petition the Independent Tax Tribunal or if I should submit a protest?

For information on the Independent Tax Tribunal, see <https://tax.illinois.gov/programs/tribunal.html>.

What if I already resolved this issue with the Internal Revenue Service (IRS)?

To verify the accuracy of the corrections, you will need to obtain an IRS Account Transcript. You may obtain your IRS account transcript by visiting www.irs.gov/individuals/get-transcript and using the “Get Transcript Online” option.

- If there were no changes to your federal income and/or credits, send us the transcript.
- If there were changes to your federal income and/or credits complete a Form IL-1040-X, Amended Illinois Income Tax Return, to compute the correct amount of tax due and send us the transcript to support your claim.

Why is some of the federal or state information on the EDA-131 Examiner’s Report incorrect?

Certain federal tax information received by IDOR is dated as it may not contain corrections made with an amended claim or other appeal. Certain state tax reporting requirements can also limit the information available to IDOR or the information isn’t available at all without the required return and supporting documents provided when your return is filed.

What should I do if the EDA-131 Examiner’s Report has incorrect federal or state information?

If your federal or state information is incorrect, then you should follow the directions provided on your notice to respond.

- If you are changing the federal tax information such as the federal adjusted gross income, filing status, exemptions, or earned income tax credit, then we will accept an IRS Account Transcript as support to correct your federal tax information. You may do this by obtaining an IRS Account Transcript. You may obtain your IRS Account Transcript by visiting www.irs.gov/individuals/get-transcript and using the “Get Transcript Online” option.
- If you are changing the state tax information such as your additions, subtractions, credits, or payments, we will accept support identified on our standard form, schedules, and publications.

Why do I owe Illinois tax if I live in Illinois, but all my income is earned in another state?

As a resident, you must file and pay tax on all your sources of income. If you paid tax to another state, you may be eligible to claim credit for the tax paid to that state. However, you must file a return and provide the required support to receive this credit. For more information, see [Schedule CR Instructions](#).

I am not an Illinois resident, why am I getting this notice?

You are getting this notice because you filed a federal tax return with an Illinois address, you had tax statements issued to an Illinois address or you earn any Illinois sourced income which was not reported.

If you are not a resident of Illinois and did not earn Illinois sourced income, then you would not be required to file a return. You may respond to our notice with proof of your residency and income sources. Typically, we require a copy of your out of state tax return. If you lived in a state where there is no income tax, then you must provide other verification of your resident status.

I moved into or out of Illinois for the tax year, but I already filed as a resident of another state, what do I do?

If you lived in Illinois any part of the year in question, then you may be required to file a state return even if you filed in another state. You should review our forms and instructions or consult a tax professional to assist you in filing a return. Even if you are not required to file in Illinois or the tax computes to zero, you should file a Form IL-1040 or IL-1040-X with the required schedules and support for an adjustment. For more information, see the [instructions for Forms IL-1040, IL-1040-X, and Schedule NR.](#)