

**Illinois Department of Revenue
Regulations**

Title 86 Part 700 Section 700.300 Penalty for Late Filing or Failure to File and Penalty for Late Payment of Tax

**TITLE 86: REVENUE
CHAPTER I: DEPARTMENT OF REVENUE**

**PART 700
UNIFORM PENALTY AND INTEREST TAX**

Section 700.300 Penalty for Late Filing or Failure to File and Penalty for Late Payment of Tax

- a) Late filing penalty for original returns due prior to January 1, 1996. *A penalty of 5% of the tax required to be shown due on a return shall be imposed for failure to file the tax return on or before the due date prescribed for filing determined with regard for any extension of time for filing (penalty for late filing or nonfiling).*
- 1) *If any unprocessable return is corrected and filed within 21 days after notice by the Department the late filing or nonfiling penalty shall not apply. (Section 3-3(a) of the Act) The unprocessable return must have been filed on or before the due date prescribed for filing of that return, with regard for any extension of filing. In other words, a taxpayer may not attempt to avoid the 5% penalty by the late filing of an unprocessable return that is then corrected within 21 days after notice by the Department.*
- 2) A return, for purposes of the imposition of this penalty, is any return required by a tax Act to be filed with the Department that is not an information return as that term is defined in Section 3-4(c) of the Act.

EXAMPLE 1: A withholding agent files Form IL-941 (Employer's Quarterly Illinois Withholding Tax Return) for third quarter 1994 on November 1, 1994. The total Illinois tax withheld is \$500,000. The form was due on October 31, 1994. A late payment filing penalty is imposed as follows: Total Illinois tax withheld (\$500,000) times the 5% late filing penalty equals \$25,000.

EXAMPLE 2: A withholding agent files form IL-W-3 (Reconciliation of Illinois Income Tax Withheld and Transmittal of Income and Tax Statements) for tax year 1993 on March 1, 1994. The total Illinois tax withheld is \$1,000,000. The form was due on February 28, 1994. A late filing penalty is imposed as follows: Total Illinois tax withheld (\$1,000,000) times the 5% late filing penalty is \$50,000.

- 3) *If a penalty for late filing or nonfiling is imposed in addition to a penalty for late payment, the total penalty due shall be the sum of the late filing penalty and the*

applicable late payment penalty (Section 3-3(a) of the Act).

- b) Late filing penalty for original returns due on and after January 1, 1996 and on or before December 31, 2000.
- 1) *A penalty equal to 2% of the tax required to be shown due on a return, up to a maximum amount of \$250, determined without regard to any part of the tax that is paid on time or by any credit that was properly allowable on the date the return was required to be filed, shall be imposed for failure to file the tax return on or before the due date prescribed for filing determined with regard for any extension of time for filing.* (Section 3-3(a-5) of the Act)

EXAMPLE 1: Your Form ST-1 is due by April 20, but you file it on May 17. The tax shown due on your return is \$10,000. You timely paid the full \$10,000 in accelerated tax payments. We notify you that you owe a penalty of \$200 ($2\% \times \$10,000 = \200 ; \$200 is less than \$250, therefore you owe \$200) and interest because you did not file your return by the April 20 due date. If you do not pay the \$200 penalty and interest within 30 days after the date of our notice, additional interest will accrue on the \$200 penalty.

EXAMPLE 2: Your Form IL-1040 is due by April 15, but you file it on November 10 (after the extended due date). The tax shown due on your return is \$1,500. Your employer withheld \$1,200 for Illinois Income Tax, and you timely paid us \$400 in estimated tax payments. You have overpaid your tax by \$100 ($\$1,500 - \$1,200 - \$400 = -\100). We notify you that you owe a penalty of \$30 ($2\% \times \$1,500 = \30 ; \$30 is less than \$250, therefore you owe \$30) because you did not file your return by the due date. We reduce your refund by the \$30 penalty and issue you a check for \$70.

EXAMPLE 3: Your Form RHM-1 is due by September 30, but you do not file it. We send you a notice of nonfiling asking you to respond within 30 days. You file your return 25 days after our notice and pay the total tax due of \$18,500. We notify you that you owe a penalty of \$250 ($2\% \times \$18,500 = \370 ; \$370 is greater than \$250, therefore you owe \$250) and interest because you did not file your return by the September 30 due date.

EXAMPLE 4: Your Form IL-1120 is due by March 15 but you file it on December 20 (after the extended due date). The income tax shown on the return is \$6,000 and the replacement tax shown on the return is \$3,125. An Enterprise Zone Investment Credit of \$2,000 is claimed against your income tax liability. You have timely paid \$7,500 in estimated payments. You have overpaid your tax liability by \$375 ($(\$2,000 + \$7,500) - (\$6,000 + \$3,125) = \375). We notify you that you owe a penalty of \$182.50 ($\$9,125 \times 2\% = \182.50 ; \$182.50 is less than \$250, therefore you owe \$182.50) because you did not file your return by the due date. We reduce your refund by \$182.50 and issue you a check for \$192.50.

- 2) *If any return is not filed within 30 days after notice of nonfiling mailed by the Department to the last known address of the taxpayer contained in Department records, an additional penalty amount shall be imposed equal to the greater of \$250 or 2% of the tax shown on the return. However, the additional penalty amount may not exceed \$5,000 and is determined without regard to any part of the tax that is paid on the date the return was required to be filed (penalty for late filing or nonfiling) (Section 3-3(a-5) of the Act).*

EXAMPLE: Your Form RHM-1 is due by September 30, but you do not file it. We send you a notice of nonfiling asking you to respond within 30 days. You file your return 45 days after our notice and pay the total tax due of \$18,500. You owe a penalty of \$250 ($2\% \times \$18,500 = \370 ; \$370 is greater than \$250, therefore you owe \$250) and interest because you did not file your return by the September 30 due date. You also owe an additional penalty of \$370 ($2\% \times \$18,500 = \370 ; \$370 is greater than \$250 and less than \$5,000, therefore you owe \$370) and interest because you did not respond within 30 days after our notice. Your total penalties for late filing are \$620 ($\$250 + \$370 = \620). You will also owe a late payment penalty for not paying your tax by the due date. Interest will continue to accrue on unpaid tax and penalties until you fully pay the total amount you owe.

- 3) If any unprocessable return is corrected and filed within 30 days after notice by the Department, the late filing or nonfiling penalty shall not apply. The unprocessable return must have been filed on or before the due date prescribed for filing of that return, with regard for any extension of filing. In other words, a taxpayer may not attempt to avoid the penalty by the late filing of an unprocessable return which is then corrected within 30 days after notice by the Department.
- 4) In the case of any type of tax return required to be filed more frequently than annually, when the failure to file the tax return on or before the date prescribed for filing (including any extensions) is shown to be nonfraudulent and no other failure to file has occurred in the two years immediately preceding the failure to file on the prescribed due date, the penalty imposed by Section 3-3(a-5) shall be abated. This two year "good filing" history abatement is effective for returns due on and after August 18, 1995 (the effective date of P.A. 89-379).

c) Late filing penalty for original returns due on and after January 1, 2001.

- 1) *A penalty equal to 2% of the tax required to be shown due on a return, up to a maximum amount of \$250, reduced by any tax that is paid on time or by any credit that was properly allowable on the date the return was required to be filed, shall be imposed for failure to file the tax return on or before the due date prescribed for filing determined with regard for any extension of time for filing. (Section 3-3(a-10) of the Act)*

EXAMPLE 1: Your Form ST-1 is due by April 20, but you do not file it. We send you a notice of nonfiling asking you to respond within 30 days.

You file your return 20 days after our notice. The tax required to be shown due on your return is \$20,000. You timely paid the full \$20,000 in accelerated tax payments. A penalty of 2% of the tax required to be shown due on the return is applicable for the late filing of your return but no penalty is assessed because after taking into account the tax paid on time your tax liability is zero.

EXAMPLE 2: Your Form IL-1040 is due by April 15, but you file it on November 10 (after the extended due date). The tax required to be shown due on your return is \$2,000. Your employer withheld \$1,250 for Illinois Income Tax, and you timely paid us \$150 in estimated tax payments. Tax owed with the return is \$600 ($\$2,000 - \$1,250 - \$150 = \600). We notify you that you owe a penalty of \$12 ($2\% \times \$600 = \12 ; \$12 is less than \$250, therefore you owe \$12) because you did not file your return on time.

EXAMPLE 3: Your Form IL-1120 is due by March 15, but you file it on December 20 (after the extended due date). The income tax required to be shown due on the return is \$20,000 and the replacement tax required to be shown due on the return is \$12,500. An Enterprise Zone Investment Credit of \$2,000 is claimed against your income tax liability. You have timely paid \$17,000 in estimated payments. Taxed owed with the return is \$13,500 ($(\$20,000 + \$12,500) - (\$2,000 + \$17,000) = \$13,500$). We notify you that you owe a penalty of \$270 ($\$13,500 \times 2\% = \270 ; \$270 is more than \$250, therefore you owe \$250) because you did not file your return on time.

- 2) *If any return is not filed within 30 days after notice of nonfiling mailed by the Department to the last known address of the taxpayer contained in Department records, an additional penalty amount shall be imposed equal to the greater of \$250 or 2% of the tax shown on the return. However, the additional penalty amount may not exceed \$5,000 and is determined without regard to any part of the tax that is paid on time or by any credit that was properly allowable on the date the return was required to be filed (penalty for late filing or nonfiling). (Section 3-3(a-10) of the Act)*

EXAMPLE: Your Form ST-1 is due by April 20, but you do not file it. We send you a notice of nonfiling asking you to respond within 30 days. You file your return 45 days after our notice. The tax shown on your return is \$18,000. You timely paid the full \$18,000 in accelerated tax payments. Although you did not file your return by the due date, no first tier late filing penalty is assessed because after taking into account the tax paid on time your tax liability is zero. You do, however, owe an additional second tier late filing penalty of \$360 ($2\% \text{ of } \$18,000 = \360 ; \$360 is greater than \$250, therefore you owe \$360) because you did not respond within 30 days after our notice.

- 3) *If any unprocessable return is corrected and filed within 30 days after notice by the Department, the late filing or nonfiling penalty shall not apply (Section 3-3(a-10) of the Act). The unprocessable return must have been filed on or*

before the due date prescribed for filing of that return, with regard for any extension for filing. In other words, a taxpayer may not attempt to avoid the penalty by the late filing of an unprocessable return that is then corrected within 30 days after notice by the Department.

- 4) *In the case of any type of tax return required to be filed more frequently than annually, when the failure to file the tax return on or before the date prescribed for filing (including any extensions) is shown to be nonfraudulent and has not occurred in the 2 years immediately preceding the failure to file on the prescribed due date, the penalty imposed by Section 3-3(a-10) shall be abated (Section 3-3(a-10) of the Act). This two year "good filing" history abatement is effective for returns due on and after August 18, 1995 (the effective date of P.A. 89-379).*
- d) *For returns due before January 1, 1998, a penalty of 15% of the tax shown on the return or the tax required to be shown due on the return shall be imposed for failure to pay:*
 - 1) *the tax shown due on the return on or before the due date prescribed for payment of that tax, an amount of underpayment of estimated tax, or an amount that is reported in an amended return other than an amended return timely filed as required by subsection (b) of Section 506 of the Illinois Income Tax Act (penalty for late payment or nonpayment of admitted liability); or*

EXAMPLE 1: Your Form IL-1120 is due by March 15. You timely file your return on March 15, but you only made your first estimated payment of \$337.50; you were required to make 4 estimated payments. The total tax shown due on your return is \$1,500. You pay the remaining \$1,162.50 you owe with your return. We notify you that you owe a penalty of \$151.88 ($\$1,500 \text{ tax} \times 90\% \text{ required to be paid timely} = \$1,350$ to be made in 4 equal installments. $\$1,350 \text{ divided by } 4 \text{ estimated payments} = \$337.50 \text{ per payment}$. $\$337.50 \times 3 \text{ unpaid quarters} = \$1,012.50$ estimated tax that was due. $\$1,012.50 \times 15\% \text{ penalty} = \151.88 late payment penalty) and interest because you did not pay the required amount due for each estimated payment. If you do not pay the \$151.88 penalty and interest within 30 days after our notice, additional interest will accrue on the penalty.

EXAMPLE 2: Same facts as in Example 1 above except that your return was timely filed between March 16 and October 15 and you paid the remaining \$150 tax you owed with your return. In this situation, your return was timely filed by virtue of the automatic extension for filing, but you owe a late payment penalty on the \$150 paid with the return because that amount of tax was not paid on or before the original due date of the return. There would be an additional penalty as prescribed by UPIA Section 3-3(b)(1) of \$22.50 ($\$1,500 - \$1,350 = \$150 \times 15\% = \22.50) for failure to pay the total tax by March 15.

- 2) *the full amount of any tax required to be shown due on a return and which is not shown (penalty for late payment or nonpayment of additional liability), within 30*

days after a notice of arithmetic error, notice and demand, or a final assessment is issued by the Department. In the case of a final assessment arising following a protest and hearing, the 30-day period shall not begin until all proceedings in court for review of the final assessment have terminated or the period for obtaining a review has expired without proceedings for a review having been instituted. In the case of a notice of tax liability that becomes a final assessment without a protest and hearing, the penalty provided in this Section shall be imposed at the expiration of the period provided for the filing of a protest. (Section 3-3(b) of the Act) The 30-day period for providing payment in response to Department notices and final assessments is effective for notices and assessments issued on or after January 1, 1996. Taxpayers must respond to notices and assessments issued prior to January 1, 1996 within 21 days.

EXAMPLE: Your Form ST-1 is due by August 20. You timely file your return but do not pay the \$10,750 tax shown due until September 27. We notify you that you owe a penalty of \$1,612.50 ($15\% \times \$10,750 = \$1,612.50$) and interest. If you do not pay the \$1,612.50 penalty and interest within 30 days after the date of our notice, additional interest will accrue on the penalty.

e) *For returns due on and after January 1, 1998 and on or before December 31, 2000, a penalty of 20% of the tax shown on the return or the tax required to be shown due on the return shall be imposed for failure to pay:*

1) *the tax shown due on the return on or before the due date prescribed for payment of that tax, an amount of the underpayment of estimated tax, or an amount that is reported in an amended return other than an amended return timely filed as a requirement of subsection (b) of Section 506 of the Illinois Income Tax Act (penalty for late payment or nonpayment of admitted liability); or*

EXAMPLE: Your Form IL-1040 is due by April 15, but you file your return on October 15 (by the extended filing date) with tax due of \$1,000. You were required to make timely quarterly estimated income tax payments but you only made your first quarter estimated payment of \$225. You paid the remaining balance you owe of \$775 with the return. We notify you that you owe late payment penalties for late payment of estimated tax and late payment of total tax due by April 15 in the total amount of \$155.

The penalty for late payment of estimated tax is calculated as follows: \$1,000 tax x 90% required to be paid timely = \$900 to be made in 4 equal installments. \$900 divided by 4 = \$225 per quarterly payment. \$225 x 3 unpaid quarters = \$675 estimated paid late. \$675 x 20% penalty = \$135 late payment penalty for failure to pay estimated taxes.

The penalty for late payment of total tax due by April 15 is calculated as follows: \$1,000 - \$900 = \$100 tax due with the return and paid late. \$100 x 20% = \$20 late payment penalty for failure to pay tax due by April 15.

- 2) *the full amount of the tax required to be shown due on a return and which is not shown (penalty for late payment or nonpayment of additional liability), within 30 days after a notice of arithmetic error, notice and demand, or a final assessment is issued by the Department. In the case of a final assessment arising following a protest and hearing, the 30-day period shall not begin until all proceedings in court for review of the final assessment have terminated or the period for obtaining a review having been instituted. In the case of a notice of tax liability that becomes a final assessment without a protest and hearing, the penalty provided in this subsection (e)(2) shall be imposed at the expiration of the period provided for the filing of a protest. (Section 3-3(b-5) of the Act).*

EXAMPLE: Corporate Taxpayer timely files its IL-1120 for tax year 1997 by the March 15, 1998 due date for calendar year filers. Corporate Taxpayer properly made all estimated tax payments and paid the remainder of its tax liability with the return. In 2000, the Department completes an audit of Corporate Taxpayer's 1997 return and an additional liability of \$5,000 is proposed. Corporate Taxpayer agrees to the audit findings but does not pay the additional liability until 60 days after notice and demand for payment is issued. A penalty of \$1,000 ($\$5,000 \times 20\% = \$1,000$) is assessed against Corporate Taxpayer for late payment of additional liability.

- f) *For returns due on and after January 1, 2001, a penalty shall be imposed for failure to pay:*

- 1) *the tax shown due on a return on or before the due date prescribed for payment of that tax, an amount of underpayment of estimated tax, or an amount that is reported in an amended return other than an amended return timely filed as required by subsection (b) of Section 506 of the Illinois Income Tax Act (penalty for late payment or nonpayment of admitted liability). The amount of the penalty imposed shall be:*

- A) *2% of any amount that is paid no later than 30 days after the due date,*
- B) *5% of any amount that is paid later than 30 days after the due date and not later than 90 days after the due date,*
- C) *10% of any amount that is paid later than 90 days after the due date and not later than 180 days after the due date, and*
- D) *15% of any amount that is paid later than 180 days after the due date.*

Effective July 25, 2002, if notice and demand is made for the payment of any amount of tax due and if the amount due is paid within 30 days after the date of the notice and demand, then the penalty for late payment or nonpayment of admitted liability under this subsection (f)(1)(A) through (D) on the amount so paid shall not accrue for the period after the date of the notice and demand (Section 3-3(b-10)(1) of the Act).

EXAMPLE 1: Your Form IL-1040 is due by April 15, but you file your return on May 15 (within the extension for time to file) showing total tax due of \$1,000. You were required to make quarterly estimated income tax payments but you only made your first quarter estimated payment of \$225. You paid the remaining balance you owe of \$775 with the return. We notify you that you owe interest on the late tax, plus late payment penalties for late payment of estimated tax and late payment of total tax due by April 15 in the amount of \$92.

The penalty for late payment of estimated tax and late payment of tax due with the return is based on the number of days the payment is late. Your second quarter payment was made more than 180 days late, your third quarter payment was made more than 180 days late, and your fourth quarter payment was made more than 90 days but less than 180 days late. Your payment due with your return was paid 30 days late.

The late payment of estimated tax penalty is calculated as follows: \$1,000 tax x 90% required to be paid timely = \$900 to be made in 4 equal installments. \$900 divided by 4 = \$225 per quarterly payment. Second quarter penalty ($\$225 \times 15\% = \33.75) + Third quarter penalty ($\$225 \times 15\% = \33.75) + Fourth quarter penalty ($\$225 \times 10\% = \22.50) = \$90 late payment penalty for failure to pay estimated taxes.

The penalty for late payment of total tax due by April 15 is calculated as follows: $\$1,000 - \$900 = \$100$ tax due with the return and paid late. $\$100 \times 2\% = \2 late payment penalty for failure to pay tax due by April 15.

EXAMPLE 2: Your Form ST-1 is due on June 20th. You were required to make quarter-monthly accelerated tax payments of the Retailers' Occupation Tax on the 7th, 15th, 22nd, and 31st of May. Each payment should have been \$4,500. You did not make any accelerated payments and instead paid the total tax due when you timely filed your return on June 20th. We notify you that you owe a late payment penalty for failing to make timely accelerated tax payments.

The May 7 and May 15 payments are more than 30 days but less than 90 days late, therefore subject to the 5% penalty. The May 22 and May 31 payments are no more than 30 days late, and therefore subject to the 2% penalty. Your late payment penalty is \$630 ($(\$4,500 \times 5\% = \$225) + (\$4,500 \times 5\% = \$225) + (\$4,500 \times 2\% = \$90) + (\$4,500 \times 2\% = \$90) = \630).

EXAMPLE 3: Your ST-1 form, due on January 20, was filed but no payment was made. The Department issues you a notice and demand dated February 16. You pay the tax due on March 9. Although the payment was made more than 30 days after the due

date, you incur a 2% penalty because the amount was paid within 30 days after the date of the Department's notice and demand. See subsection (f)(1)(E), above.

- 2) the full amount of any tax required to be shown due on a return and that is not shown (penalty for late payment or nonpayment of additional liability), within 30 days after a notice of arithmetic error, notice and demand, or a final assessment is issued by the Department. In the case of a final assessment arising following a protest and hearing, the 30-day period shall not begin until all proceedings in court for review of the final assessment have terminated or the period for obtaining a review has expired without proceedings for a review having been instituted. The amount of penalty imposed shall be 20% of any amount that is not paid within the 30-day period. In the case of a notice of tax liability that becomes a final assessment without a protest and hearing, the penalty imposed under subsection (b-10)(2) of Section 3-3 of the Act shall be imposed at the expiration of the period provided for the filing of a protest. (Section 3-3(b-10) of the Act)

EXAMPLE: Corporate Taxpayer timely files its IL-1120 for tax year 2000 by the March 15, 2001 due date for calendar year filers. Corporate Taxpayer properly made all estimated tax payments and paid the remainder of its tax liability with the return. In 2003, the Department completes an audit of Corporate Taxpayer's 2000 return and an additional liability of \$5,000 is proposed. Corporate Taxpayer agrees to the audit findings but does not pay the additional liability until 60 days after notice and demand for payment is issued. A penalty of \$1,000 ($\$5,000 \times 20\% = \$1,000$) is assessed against Corporate Taxpayer for late payment of additional liability.

- g) *For purposes of the late payment penalties, the basis of the penalty shall be the tax shown or required to be shown on the return, whichever is applicable, reduced by any part of the tax which is paid on time and by any credit which was properly allowable on the date the return was required to be filed.* (Section 3-3(c) of the Act) The amount of the late payment penalty, unlike some late payment penalties that were imposed prior to the adoption of the Uniform Penalty and Interest Act, does not change over time for returns due on or before December 31, 2000. The late payment penalty is the same whether payment is one day late or one year late. For returns due on and after January 1, 2001, however, the late payment penalty is a graduated penalty that increases as the time period during which the tax liability remains unpaid increases. It is only after the tax liability has remained unpaid for more than 180 days that the late payment penalty caps at 15% and remains at that rate until the tax liability is paid.
- h) *A penalty shall be applied to the tax required to be shown even if that amount is less than the tax shown on the return.* (Section 3-3(d) of the Act)

EXAMPLE: A rentor of automobiles for periods of one year or less has tax due under the Automobile Renting Occupation and Use Tax for the rental receipts received during the month of June 1994 on July 20, 1994. The tax shown on the return filed on July 20, 1994 is \$500, but the taxpayer remits no payment of the tax when the return is filed. On August 1, 1994 the taxpayer files an

amended return reducing tax liability to \$400 and also remits \$400. Assuming that the \$400 amount shown on the amended return is correct, the taxpayer owes a late payment penalty on \$400, the amount required to be shown on the original return, not the \$500 amount that was shown on the original return.

- i) *If both a subsection (b)(1) or (b-5)(1) penalty and a subsection (b)(2) or (b-5)(2) penalty are assessed against the same return, the subsection (b)(2) or (b-5)(2) penalty shall be assessed against only the additional tax found to be due. (Section 3-3(e) of the Act) For returns due on and after January 1, 2001, if a subsection (b-10)(1) penalty and a subsection (b-10)(2) penalty are assessed against the same return, the subsection (b-10)(2) penalty shall be assessed against only the additional tax found to be due. (Section 3-3(e-5) of the Act)*

EXAMPLE 1: A withholding tax agent has tax due for the third quarter of 1994. The return is filed timely, with tax withheld of \$20,000, but on time payments only equal \$15,000, leaving a tax balance due of \$5,000. The late payment penalty applicable on November 1, 1994 is \$750. Full payment of tax is made on March 15, 1995. On October 1, 1997, an audit is completed increasing tax to \$30,000. The withholding agent agrees to the audit finding. An additional late payment penalty of \$1,500 ($\$30,000 - \text{the original } \$20,000 = \$10,000 \text{ tax due times } 15\% = \$1,500 \text{ late payment penalty}$) will be assessed if the withholding agent does not pay the additional tax liability within 30 days after notice and demand for payment of the additional liability.

EXAMPLE 2: Corporate Taxpayer timely files its IL-1120 for the 2000 tax year on March 15, 2001 showing total tax due of \$30,000. Corporate Taxpayer properly made all estimated tax payments but fails to pay the \$3,000 tax balance due with the return. Corporate Taxpayer pays the \$3,000 tax due on June 15, 2001, later than 90 days but no later than 180 days after the due date. The penalty for late payment of tax due is \$300 ($\$3,000 \times 10\%$). In 2003, the Department completes an audit of Corporate Taxpayer's 2000 return increasing the tax due to \$36,000. Corporate Taxpayer agrees to the audit finding but does not pay the additional liability until 45 days after notice and demand is issued. Corporate Taxpayer is assessed an additional late payment penalty of \$1,200 ($\$36,000 - \$30,000 \text{ original liability} = \$6,000 \text{ additional tax due} \times 20\% = \$1,200$).

- j) *If the taxpayer has failed to file the return, the Department shall determine the correct tax according to its best judgment and information, which amount shall be prima facie evidence of the correctness of the tax due. (Section 3-3(f) of the Act)*
- k) *The time within which to file a return or pay an amount of tax due without imposition of a penalty does not extend the time within which to file a protest to a notice of tax liability or a notice of deficiency. (Section 3-3(g) of the Act)*

(Source: Amended at 27 Ill. Reg. _____, effective _____)