



# Illinois Department of Revenue

# Informational Bulletin

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## Illinois Begins Implementation of New Tax Computer System

To: All tax professionals and taxpayers who file  
Illinois tax returns

### For information . . .

Visit our web site —  
[tax.illinois.gov](http://tax.illinois.gov)

Call us —  
1 800 732-8866 or  
1 217 782-3336  
1 800 544-5304 (TDD only)

Write us —  
Illinois Department of Revenue  
P.O. Box 19044  
Springfield, IL 62794-9044

### For forms . . .

Visit our web site —  
[tax.illinois.gov](http://tax.illinois.gov)

Call our Forms Order Line —  
1 800 356-6302

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

This bulletin explains changes that may affect you beginning in December 2007. Illinois is in the process of consolidating more than 200 tax and fee programs into one integrated computer system. This effort will take place in phases over the next four years.

### Why are we consolidating our tax systems?

Our priority is to assist you in meeting your tax obligations. We will be able to improve our service to you with a consolidated view of your account. This will also improve how we process tax returns, bill taxpayers, collect liabilities, provide tax information, and enforce tax laws.

### What taxes will be included in the first phase?

In December 2007, the new system will include tax information and business registration for

- sales tax (ST-1 only),
- withholding income tax (IL-941), and
- business income and replacement taxes (IL-1120, IL-1120-ST, IL-1065, IL-1041, IL-1023-C, and IL-990-T).

### How will this affect you?

- ◆ Notices and bills from the new system will have a new look and include
  - an "Account ID" for **each** tax type, and
  - a Taxpayer Statement showing amounts owed, available credits, and nonfiled returns. This Taxpayer Statement is new for business income tax and withholding tax filers and will replace the Statement of Account for sales tax filers.
- ◆ During the four-year transition, no changes will occur to a tax until it is included in the new system. For taxes not included yet, you must continue to use your current tax identification number and you may receive separate notices and bills.
- ◆ Illinois Business Tax (IBT) numbers eventually will be replaced by Account IDs when that tax is included in the new system. At the end of the four-year transition period, use of the term "IBT" will be discontinued.

The following describes more specific changes for the tax types that will be included in the first phase:

**Form ST-1 filers will also see —**

◆ *Form changes* — Form ST-1, Sales and Use Tax Return, will reference your number as Account ID rather than IBT. You may continue to use the tax returns you have until you are provided tax returns reflecting the change. For most taxpayers, your number will not change - just the label for it will change.

◆ *Other notice and bill changes* — To report corrections to a notice or bill you receive, you are now required to file an ST-1-X, Amended Sales and Use Tax Return.

Credit memoranda will **automatically** offset sales tax outstanding balances. This will be shown on your Taxpayer Statement.

**Note:** If you file other related sales tax returns (e.g., MPEA, County Motor Fuel Tax), you will continue to receive the existing combined Statement of Account when necessary for these taxes. As these tax types are phased into the new system, they will be included on the new Taxpayer Statement.

◆ *Payment application changes*— Accelerated (“quarter-monthly”) payments now will be applied to the oldest accelerated payment due.

**Business income and replacement tax filers will also see —**

◆ *Form changes* — Forms IL-1041, IL-990-T, and IL-1023-C have been extensively revised for tax year 2007 to make them more consistent with other Illinois business income tax returns. Also, each will have its own amended return, e.g., IL-1041-X, IL-990-T-X, and IL-1023-C-X, replacing Form IL-843.

**Withholding tax filers will also see —**

◆ *Form changes* — Form IL-941 has had minor changes (including the size of the form).

◆ *Other notice and bill changes* — More notices will be generated systemically replacing an inefficient manual process.

**Note:** Beginning January 1, 2008, you now will be penalized for underpayment or late payment of withholding tax payments based on changes made by Public Act 95-0008. See FY-2008-05 for more information.

**What if I have questions about my accounts?**

We intend to make this transition as seamless as possible. However, if you receive something from us you believe to be in error or you do not understand, please call us at 1 800 732-8866.

**When will other taxes be included in the new system?**

- ◆ By the end of 2008, the system will expand to include
  - individual income tax, and
  - motor fuel use tax.
- ◆ Other taxes scheduled to be added over the next four years include
  - excise taxes,
  - all other related sales taxes, and
  - other miscellaneous taxes.