



OFFICE OF THE GOVERNOR

ROD BLAGOJEVICH - GOVERNOR

NEWS

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Department of Revenue to increase services and enhance compliance in FY 06

More audit staff to collect additional \$18 million

SPRINGFIELD – The Department of Revenue will add 105 tax auditors to enforce compliance with existing tax laws under Governor Blagojevich’s proposed \$1 billion FY 2006 budget that will continue to emphasize tax collection necessary to support essential state services.

“This budget provides us the resources to increase tax collections significantly in FY 06,” said Revenue Director Brian Hamer. “We will continue to provide the funds needed to provide critical state services.”

The department will continue its effort to increase the use of electronic commerce to reduce costs and improve service to taxpayers by promoting the use of electronic filing and tax payment. The department will also expand its self-service options that allow taxpayers to get answers to questions online and to manage their accounts online.

“Revenue’s mission is to collect the taxes that are due and owed the state of Illinois,” emphasized Director Hamer. “This budget allows us to fairly enforce tax laws, and we will seek to do so as efficiently as possible.”

The enforcement initiative includes the hiring of 105 auditors at a cost of \$4.7 million during FY 2006, continuing an effort begun in fiscal year 2005 to reverse a decline in the number of state tax auditors.

Revenue collected \$532 million in a tax amnesty program in FY 04 and is close to reaching its goal of \$100 million in the Voluntary Compliance Program (VCP) in which those who used abusive tax shelters had the opportunity to pay what is due by January 31, 2005.

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Add1/Illinois Department of Revenue

The department continued streamlining costs as a result of the consolidation that became effective in 2003. The consolidation merged the Department of Lottery, Liquor Control Board, and the Illinois Racing Board into the Department of Revenue. The consolidation also facilitated a joint effort by the Liquor Control Commission and revenue auditors to focus on in-depth inspections of industry marketing and business practices. The Racing Board transferred their laboratory facilities to a state-of-the-art facility at the University of Illinois at Chicago.

The agency made great strides towards its goal of making electronic commerce the primary way of doing business with the department in 2005, and will expand electronic filing and payment of taxes in FY 2006. Revenue is on track to significantly increase the returns that are electronically filed this year.

During FY 2005 the department saw more than 2.1 million electronic income tax returns, in its most mature electronic filing program and also introduced free online sales tax filing. The department worked with the Secretary of State on a joint program to receive vehicle sales tax returns and with the IRS and department of Employment Security on a program that lets taxpayers file and pay withholding and unemployment tax.

In FY 2006 the department's goal is to receive 18.5 percent of all tax returns electronically. It also plans to develop online, self-service applications that will answer taxpayer questions and let them manage their own tax accounts. Taxpayers will be able to update addresses, sales location, and ownership information and will be allowed to check payment history and account balances online.