



For Immediate Release
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\$10.7 Million Collected from Voluntary Disclosure Program

SPRINGFIELD – The Department of Revenue has collected more than \$4 million from mailings sent to 591 Illinois businesses as part of its ongoing effort to educate taxpayers and enforce existing tax laws. Another 119 businesses, who did not receive the mailing, came forward and paid \$6.7 million in Use Tax owed under Illinois’ existing Voluntary Disclosure program.

“More than 700 taxpayers now understand their Use Tax obligation and will be reporting in the future,” said Brian Hamer, Director of Revenue. “Given this success, we are opening the program to all Illinois business taxpayers.”

As part of its Business Use Tax Voluntary Disclosure Program, the department identified likely non-filing businesses and offered them the opportunity to register for and pay four years of Use Tax (instead of six) and to avoid penalties. Two mailings generated over \$4 million in voluntary payments from 591 businesses.

Any business that pays income and withholding tax but is not registered to pay Use Tax can visit the department’s web site at www.tax.illinois.gov to get more information on Business Use Tax Voluntary Disclosure and make application for the program.

Use Tax is most commonly due when a taxpayer makes a purchase from a retailer outside of Illinois who does not collect Illinois tax. Examples include:

- A bank has office chairs shipped to it from a company in Ohio that does not collect Illinois tax. The bank owes Illinois Use Tax on the price of the chairs.
- A dentist buys tooth brushes to give patients from a New York mail order firm. The dentist owes Illinois Use Tax on the cost of the tooth brushes.
- A wholesaler that operates a warehouse in Illinois buys a fork-lift in Missouri and no tax is charged. The wholesaler owes Illinois Use Tax on the price of the fork lift.

In such situations, the taxpayer is required to remit the tax directly to the Department of Revenue. All states that administer sales taxes have a complementary use tax that prevents an out-of-state retailer from gaining a tax advantage over in-state retailers.