Illinois Department of Revenue

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Delinquent Taxpayer Names Posted on Internet

Threat of Posting Generates \$1 million for State

SPRINGFIELD - The Illinois Department of Revenue today posted the names of 200 businesses and individuals who owe state taxes, a threat that will net \$1 million in unpaid taxes.

The disclosure come under a state law that authorizes the publication of names of taxpayers who have owed at least \$1,000 in taxes for six months, after the taxpayers are notified by certified mail and given the chance to pay.

"This is one of the tools we use to assure that taxpayers comply with the law," said Revenue Director Brian Hamer. "Most Illinois taxpayers fully pay their taxes and want us to make sure that everyone else does too."

Hamer said that the threat of disclosure is particularly effective with self-employed professionals and small businesses where some routine collection tools, such as the ability to garnish wages, may not work.

For example, the owner of a suburban Cook County construction company told the department that he did not want to be posted and paid a \$34,000 withholding tax debt.

The current delinquent Internet posting resulted from notices mailed in November that have, to date, resulted in payments of almost \$1 million from 122 taxpayers while nine others have entered into pay plans that will produce \$350,000.

Besides the money collected, the notices prompted another 38 taxpayers to provide documentation (e.g. a W-2 to show that tax had been withheld from their salary or a schedule that supports a credit claimed) that showed that they did not owe more than \$500,000.

(more)

Hamer said that the department will continue to use other collection tools to pursue taxpayers whose names appear on the delinquent taxpayer list and that the delinquent taxpayer list is but one tool the department uses to pursue unpaid taxes.

In the fiscal year that ended June 30, the wider effort to collected overdue taxes from taxpayers who had ignored bills from the department yielded nearly \$336 million.

The department's aggressive efforts have yielded an 8.4 percent increase in collection of unpaid taxes over two years, despite the fact that the number of employees pursuing delinquent taxes declined from 218 to 202.

Between the reduced headcount and the increased collections, Hamer said, collections per tax collector increased almost 17 percent, from \$1.42 million to \$1.66 million.

Among the new and expanded programs put into place by the department were:

- Retention of a national law firm to sue in courts outside Illinois taxpayers who have left the state but owe taxes here,
- Posting lime-green signs on businesses whose authority to make retail sales has been revoked for non-payment of taxes, the threat of which generated an additional \$3 million last year.
- A joint tax compliance initiative with state licensing agencies to revoke or withhold the professional licenses of approximately 1,300 tax debtors, an effort that generated \$1.1 million last year.
- A strategic change to make earlier referral of large dollar accounts to field collectors, where personal contact with the tax debtors boosted collections by \$11 million last year.

To remove their names from the list posted today, taxpayers need to contact the department and pay the taxes owed.

The fully searchable list is available on the department's web site at <u>www.tax.illinois.gov</u>.