
ILLINOIS RETAILERS' OCCUPATION TAX (SALES TAX) FACT SHEET



FOR GASOLINE RETAILERS' VOLUNTARY COMPLIANCE PROGRAM

Problem

Department of Revenue criminal investigators and auditors have identified multiple instances of gasoline retailers significantly underreporting and underpaying taxes in connection with the sale of gasoline, gasohol, majority blended ethanol, diesel (including biodiesel and biodiesel blends), alcoholic beverages, cigarettes and soft drinks. Related taxes include sales and use taxes, County Motor Fuel Tax (DuPage, Kane, and McHenry counties), Metropolitan Pier and Exposition Authority Food and Beverage Tax, Chicago Soft Drink Tax, and income taxes.

Solution

The Department of Revenue and the Illinois attorney general are taking a two-step approach to correcting this problem.

First - The department is offering a voluntary compliance period during which gasoline retailers can come forward and pay the taxes that they have avoided. This includes related taxes if applicable.

Second - At the close of the Gasoline Retailers' Voluntary Compliance period, department investigators and auditors and Illinois attorney general prosecutors will target non-compliant gasoline retailers for both criminal prosecution and civil penalties.

The Gasoline Retailers' Voluntary Compliance Program

A gasoline retailer's full disclosure under the program will be taken into account by the department in determining whether to assess the 50 percent civil fraud penalty and by the Illinois attorney general in deciding whether to file criminal charges.

Participants must

- submit a completed application for the program, file amended returns, and pay tax by November 16, 2009, for the periods of July 2006 through August 2009,
- pay applicable penalties and interest when billed,
- fully comply with all taxes administered by the department (by filing amended returns and making payment) for sales-related and income taxes, and
- cooperate with department investigators and auditors doing follow-up work.

How to apply

The application and amended returns for the Gasoline Retailers' Voluntary Compliance program are available on our web site at tax.illinois.gov.

How to help

Illinoisans aware of fraudulent activity are urged to call the department's fraud hot line at 1 800 243-2811 (CHEAT11).