

TITLE 86: REVENUE  
CHAPTER I: DEPARTMENT OF REVENUE

PART 131  
LEVELING THE PLAYING FIELD FOR ILLINOIS RETAIL ACT

Section

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131\_ILLUSTRATION A [Leveling the Playing Field Retailer Flowchart – Provisions Controlling from January 1, 2021 through December 31, 2024](#)

AUTHORITY: Implementing Article 5 of the Leveling the Playing Field for Illinois Retail Act [35 ILCS 185] and authorized by Section 12 of the Retailers' Occupation Tax Act [35 ILCS 120] and Section 2505-795 of the Department of Revenue Law [20 ILCS 2505].

SOURCE: Adopted at 45 Ill. Reg. 931, effective December 31, 2020; emergency amendment at 45 Ill. Reg. 9625, effective July 13, 2021, for a maximum of 150 days; emergency amendment suspended by the Joint Committee on Administrative Rules at 45 Ill. Reg. 10883, effective August 18, 2021; suspension withdrawn at 45 Ill. Reg. 12207, effective September 17, 2021;

44 emergency amendment to emergency rule at 45 Ill. Reg. 12152, effective September 17, 2021,  
45 for the remainder of the 150 days; emergency rule as amended expired December 9, 2021;  
46 amended at 46 Ill. Reg. 2697, effective January 26, 2022; amended at 49 Ill. Reg. 8610 effective  
47 June 13, 2025; amended at 49 Ill. Reg. 10794, effective August 8, 2025; amended at 50 Ill. Reg.  
48 \_\_\_\_\_, effective \_\_\_\_\_.

49

50 **Section 131.185 Remote Retailer Amnesty Program**

51

52 a) Pursuant to the Section 2-13 of the Retailers' Occupation Tax Act ("ROTA"), as  
53 created by Public Act 104-0006, the Department will conduct a remote retailer  
54 amnesty program ("the Remote Retailer Amnesty Program" or "the Program") for  
55 remote retailers that owe State or local retailers' occupation taxes on eligible  
56 transactions.

57

58 1) The Remote Retailer Amnesty Program will apply to payments of  
59 contested and uncontested State and local retailers' occupation tax  
60 liabilities on eligible transactions received by the Department or payment  
61 plans entered into with the Department from August 1, 2026, through  
62 October 31, 2026. Amnesty is only applicable on State and local retailers'  
63 occupation tax liability owed by remote retailers (see 86 Ill. Adm. Code  
64 131.107(c)(1)). Amnesty is not available for any other taxes that may be  
65 owed by a remote retailer as set out in 131.107(c)(2), excise taxes, or taxes  
66 not administered by the Department. Amnesty is not available to  
67 servicepersons or Illinois retailers with any type of physical presence in  
68 this State.

69

70 2) Remote retailers participating in the Program must report and remit, at a  
71 simplified retailers' occupation tax rate, State and local retailers'  
72 occupation taxes due on eligible transactions. *The payment shall be made*  
73 *by the remote retailer during the remote retailer amnesty period and shall*  
74 *be in lieu of reporting and remitting State and local retailers' occupation*  
75 *taxes at the rate otherwise provided by law. [35 ILCS 120/2-13(b)]*

76

77 3) If a taxpayer participates in the Remote Retailer Amnesty Program and  
78 complies with all the requirements of this Section, *the payment of the tax*  
79 *at the simplified retailers' occupation tax rate relieves the remote retailer*  
80 *of any additional State or local retailers' occupation taxes with respect to*  
81 *the eligible transaction. Further, the Department shall abate and not seek*  
82 *to collect any interest or penalties that may be applicable with respect to*  
83 *those eligible transactions, and the Department shall not seek civil or*  
84 *criminal prosecution of the remote retailer for the period of time for which*  
85 *amnesty has been granted to the retailer. [35 ILCS 120/2-13(b)]*

86

87 4) Remote retailers participating in the Program remain subject to audit by  
88 the Department as provided in the ROTA. Remote retailers participating  
89 in the Program shall not be subject to audit or review by any unit of local  
90 government under the Local Government Revenue Recapture Act. [35  
91 ILCS 120/2-13(f)]

92  
93 b) Definitions and special provisions. For purposes of this Section:

94  
95 "Eligibility period" means the period from January 1, 2021, through June 30,  
96 2026. [35 ILCS 120/2-13(a)]

97  
98 "Eligible Liability" means the total amount of liability arising under the Remote  
99 Retailer Amnesty Program calculated from the total gross receipts arising from  
100 eligible transactions multiplied by the applicable simplified retailers' occupation  
101 tax rate.

102  
103 "Eligible Transaction" means the sale of tangible personal property by a remote  
104 retailer to an Illinois customer that occurs during the eligibility period and that  
105 requires the remote retailer to ship or otherwise deliver the tangible personal  
106 property to an address in the State.

107  
108 "Established Liability" means an eligible liability that has been assessed or  
109 become final prior to the beginning of the Remote Retailer Amnesty Program  
110 period; any amount paid under the Protest Act prior to the beginning of the  
111 Remote Retailer Amnesty Period; or any amount of tax shown on a notice of  
112 assessment or notice of tax liability that was issued prior to the beginning of the  
113 Remote Retailer Amnesty Period or on an amended return presented by the  
114 Department to the taxpayer prior to the beginning of the Remote Retailer  
115 Amnesty Period after the conclusion of an audit (including any proceedings  
116 before the Informal Conference Board).

117  
118 "Local Retailers' Occupation Tax" means a retailers' occupation tax imposed by a  
119 municipality, county, or other unit of local government and administered by the  
120 Department.

121  
122 "Notice and Demand" means any demand for payment issued by the Department  
123 that is eligible for the 30-day interest-free grace period under Section 3-2(c-5) of  
124 the Uniform Penalty and Interest Act (UPIA) [35 ILCS 735].

125  
126 "Program" means the Remote Retailer Amnesty Program established under this  
127 Section.

128

129 "Protest Act" means the State Officers and Employees Money Disposition Act [30  
130 ILCS 230].

131  
132 "Remote Retailer" means a remote retailer, as defined in Section 1 of the ROTA,  
133 who has met a tax remittance threshold under subsection (b) of Section 2 of the  
134 ROTA for all or part of the eligibility period and who is participating in the  
135 Program established under this Section.

136  
137 "Remote Retailer Amnesty Period" means the period from August 1, 2026,  
138 through October 31, 2026, during which the Department will accept returns and  
139 payment of and enter into payment plans for State and local retailers' occupation  
140 taxes at the simplified retailers' occupation tax rate for eligible transactions that  
141 occur during the eligibility period.

142  
143 "Simplified Retailers' Occupation Tax Rate" means the combined State and  
144 average local retailers' occupation tax rate imposed on remote retailers  
145 participating in the Program. The simplified retailers' occupation tax rate shall  
146 be (i) 9% of the gross receipts from sales of tangible personal property that are  
147 subject to the 6.25% State rate of tax imposed by Section 2-10 of the ROTA or (ii)  
148 1.75% of the gross receipts from sales of (A) tangible personal property that is  
149 subject to the 1% State rate of tax imposed by Section 2-10 of the ROTA and (B)  
150 food for human consumption that is to be consumed off the premises where it is  
151 sold (other than alcoholic beverages, food consisting of or infused with adult use  
152 cannabis, soft drinks, and food that has been prepared for immediate  
153 consumption), regardless of the applicable rate of tax.

154  
155 "Taxable Period" means the period of time for which any tax is imposed by and  
156 owed to the State of Illinois.

157  
158 "Taxing Jurisdiction" means a municipality, county, or other unit of local  
159 government that imposes a local retailers' occupation tax. [35 ILCS 120/2-13(a)]

160  
161 c) Simplified Retailers' Occupation Tax Rate

- 162  
163 1) The simplified retailers' occupation tax rate of 9% for general merchandise  
164 or 1.75% for sales normally subject to the 1% State rate of tax or food for  
165 human consumption to be consumed off the premises where it is sold is  
166 offered as a way to bring remote retailers into compliance with the sales  
167 tax laws of Illinois who may not have the records necessary to determine  
168 the location of their selling activities in this State.  
169

- 170 2) Participating remote retailers must remit all tax on eligible transactions at  
171 the simplified retailers' occupation tax rate, unless one of two exceptions  
172 exists:  
173  
174 A) Tax was previously collected on the eligible transaction at a rate  
175 greater than the simplified retailers' occupation tax rate. In this  
176 situation, tax that was collected at the greater rate must be  
177 remitted. [35 ILCS 120/2-13(c)(3)]  
178  
179 B) The remote retailer can produce a valid exemption number or  
180 certificate, resale certificate, or direct pay permit issued by the  
181 Department covering the eligible transaction. In this situation, the  
182 remote retailer must retain all exemption numbers or certificates,  
183 resale certificates, or direct pay permits in its books and records  
184 (see 86 Ill. Adm. Code 130.810).  
185  
186 3) Except as otherwise provided in subsection (c)(2)(A) of this Section, no  
187 remote retailer shall be required to remit the tax at a rate greater than 9%  
188 or 1.75%, as applicable, regardless of the combined actual tax rates that  
189 may otherwise be applicable on an eligible transaction. Additionally, no  
190 gross receipts for which State and local retailers' occupation tax is  
191 remitted at the simplified retailers' occupation tax rate shall be subject to  
192 any additional retailers' occupation tax from any taxing jurisdiction  
193 imposing a retailers' occupation tax with respect to the sale of the  
194 property, regardless of the actual tax rate that might have otherwise been  
195 applicable on an eligible transaction. [35 ILCS 120/2-13(d)]  
196  
197 4) The simplified retailers' occupation tax rate is only available for use under  
198 the Program and will not be accepted on sales tax returns filed outside of  
199 the remote retailer amnesty period.  
200  
201 d) Department Requirements. The Department has no duty to notify taxpayers of  
202 liabilities that may make them eligible for participation in the Remote Retailer  
203 Amnesty Program. Failure of the Department to notify a taxpayer of the existence  
204 or correct amount of liability eligible for remote retailer amnesty shall not  
205 preclude the taxpayer from participating in the Remote Retailer Amnesty  
206 Program. The Department shall have exclusive responsibility for reviewing and  
207 accepting applications for participation and for the administration, return  
208 processing, and review of the eligibility of remote retailers participating in the  
209 Program. [35 ILCS 120/2-13(h)]  
210  
211 e) Requirements for Participation in the Remote Retailer Amnesty Program  
212

- 213 1) The remote retailer must make full payment of all State and local retailers'  
214 occupation taxes due with respect to the remote retailer's eligible  
215 transactions, using the simplified retailers' occupation tax rate, during the  
216 remote retailer amnesty period for amnesty to be granted, unless the  
217 remote retailer enters into an approved repayment plan with the  
218 Department during the remote retailer amnesty period. In that case,  
219 amnesty shall be granted upon successful completion of the repayment  
220 plan as long as the taxpayer remains in compliance with the terms of the  
221 payment plan throughout its duration, including remaining in compliance  
222 with all other tax obligations owed to the Department. [35 ILCS 120/2-  
223 13(b)]  
224
- 225 2) If a taxpayer has previously paid State and local retailers' occupation tax  
226 using the appropriate location and tax rate or only incurred State and local  
227 retailers' occupation tax for a portion of the eligibility period, a taxpayer  
228 may participate in the Remote Retailer Amnesty Program selectively,  
229 provided that the taxpayer completely satisfies its eligible liability for each  
230 tax period for which amnesty is sought. Thus, a taxpayer may participate  
231 in the Remote Retailer Amnesty Program with respect to particular tax  
232 periods but not others (e.g., July 2021 to December 2021 Retailers'  
233 Occupation Tax but not January 2022 to June 2022 Retailers' Occupation  
234 Tax).  
235
- 236 3) Amnesty shall be granted only if all amnesty conditions as set out in this  
237 Section are satisfied by the taxpayer. The amnesty provided by this Section  
238 shall be granted to any remote retailer who, during the remote retailer  
239 amnesty period, files all returns and remits all State and local retailers'  
240 occupation tax on all eligible transactions using the simplified retailers'  
241 occupation tax rate or otherwise applicable State and local retailers'  
242 occupation tax rates due for all of the remote retailer's eligible  
243 transactions. [35 ILCS 120/2-13(c)] Additionally, the following  
244 requirements must be met for amnesty to be granted under the Remote  
245 Retailer Amnesty Program:  
246
- 247 A) remote retailers must be registered with the Department as set out  
248 in Section 2a of the ROTA, and remote retailers registering for the  
249 first time as part of the Remote Retailer Amnesty Program must  
250 register electronically in the manner prescribed by the Department;  
251
- 252 B) returns filed under the Program shall be filed electronically in the  
253 manner prescribed by the Department in Section 3 of the ROTA  
254 and shall be filed only during the remote retailer amnesty period;  
255

256 C) a remote retailer shall remit the tax at the simplified retailers'  
257 occupation tax rate or, if the tax was collected, in the amount of  
258 the tax collected, whichever is greater; the required reporting for  
259 each return period from the remote retailer shall include only  
260 statewide totals of the retailers' occupation taxes remitted at the  
261 simplified retailers' occupation tax rate and shall not require  
262 information related to the location of purchasers or amount of  
263 sales into a specific taxing jurisdiction;

264  
265 D) amnesty is not available for any retailers' occupation tax remitted  
266 to the Department prior to the remote retailer amnesty program  
267 period by the remote retailer;

268  
269 E) a remote retailer may not be a party to any criminal investigation  
270 or to any civil or criminal litigation that is pending in any circuit  
271 court, any appellate court, or the Supreme Court of this State for  
272 nonpayment, delinquency, or fraud in relation to any State tax  
273 imposed by any law of the State of Illinois;

274  
275 F) a remote retailer may not commit fraud or intentional  
276 misrepresentation of a material fact in any document filed under  
277 the Remote Retailer Amnesty Program; and

278  
279 G) amnesty is applicable only to retailers' occupation taxes due from  
280 the remote retailer in its capacity as a remote retailer and not to  
281 any other taxes that may be owed by the remote retailer pursuant  
282 to another tax Act. [35 ILCS 120/2-13(c)]

283  
284 4) Except as otherwise expressly provided in this Section:

285  
286 A) In the case of an established liability that has been assessed or has  
287 otherwise become subject to collection action by the Department,  
288 the taxpayer participates in the Remote Retailer Amnesty Program  
289 by calculating and paying the eligible liability, as defined in this  
290 Section, or, if the tax was collected, paying the amount of the tax  
291 collected, whichever is greater, during the remote retailer amnesty  
292 period. However, amnesty is not available for any retailers'  
293 occupation tax remitted to the Department prior to the remote  
294 retailer amnesty period by the remote retailer.

295  
296 B) In the case of an eligible liability where an established liability has  
297 not been assessed or otherwise become subject to collection action  
298 by the Department, the taxpayer participates in the Remote Retailer

299 Amnesty Program by filing the appropriate return or amended tax  
300 return to report the eligible liability and making payment of the  
301 eligible liability, or, if the tax was collected, in the amount of the  
302 tax collected, whichever is greater, to the Department during the  
303 Remote Retailer Amnesty Period. Unless a special form or  
304 schedule is provided by the Department for filing an original or  
305 amended return to report an eligible liability, the taxpayer must use  
306 the form ordinarily prescribed by the Department for that return or  
307 amended return.

308  
309 5) Participating remote retailers must make payments toward each liability  
310 period. Participating remote retailers may make one payment covering  
311 multiple periods if all periods for which payment is made are identified in  
312 the application. Any payment that is not expressly designated by the  
313 taxpayer as applicable to an identified liability period or range of periods  
314 will be applied against liabilities of the taxpayer in accordance with 86 Ill.  
315 Adm. Code 700.500, which may result in failure of the taxpayer to pay all  
316 eligible liabilities it intended to pay.

317  
318 6) Remote retailers shall maintain records of all eligible transactions,  
319 including copies of invoices showing the purchaser, the purchase amount,  
320 the taxes collected, and the retailers' occupation tax remitted. Records  
321 must be kept documenting all tangible personal property sold for which  
322 the 1.75% simplified retailers' occupation tax rate is used to verify that the  
323 tangible personal property qualifies for the 1% State tax rate imposed  
324 under Section 2-10 of the ROTA. Those records shall be made available  
325 for review and inspection upon request by the Department. [35 ILCS  
326 120/2-13(f)]

327  
328 7) Failure to pay all taxes due using the simplified retailers' occupation tax  
329 rate for the eligible period, unless tax has previously been remitted, prior  
330 to the remote retailer amnesty period, using the applicable State and local  
331 retailers' occupation tax rates on periods for which the remote retailer is  
332 not pursuing amnesty, shall invalidate any amnesty granted under the  
333 ROTA, and all retailers' occupation tax due for the eligible period shall be  
334 due at the applicable State and local rate for the particular selling  
335 location, and all applicable penalties and interest will be assessed thereon.  
336 [35 ILCS 120/2-13(b)]

337  
338 f) Form of Payment.

339  
340 1) Payments must be made electronically through the participant's MyTax  
341 account.

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- 2) Payments that are returned or not honored by a financial institution do not qualify as payments during the remote retailer amnesty period.
  
- 3) Payment Plans. If a remote retailer has eligible liabilities it cannot pay in full because of a financial hardship, the remote retailer may request a payment installment plan. A payment installment plan is an agreement between a taxpayer and the Department to pay tax delinquencies using a monthly payment plan. To be approved for a payment plan, a remote retailer must have filed all tax returns for the applicable eligibility period. All eligible liabilities will be part of the same payment plan.
  - A) Terms of payment plans. A remote retailer may enter into a pre-approved payment plan with the Department simultaneously with filing returns for eligible amnesty periods. This pre-approved payment plan requires a good faith down payment to be made during the Remote Retailer Amnesty Program period. The down payment must be made on or before October 31, 2026, the last day of Amnesty. Failure to apply for a pay plan and make a good faith down payment prior to the end of the Remote Retailer Amnesty Program period will result in denial of amnesty. The remainder of the balance will be payable in equal monthly installments for up to 24 consecutive months with the first payment due 30 days from the end of the Remote Retailer Amnesty Program (December 1, 2026), and all subsequent payments due on the 1st of each month until the balance plus accruing interest are paid in full. No financial statements are required for the pre-approved payment plan.
  
  - B) Interest will accrue on the eligible liability balance during the duration of the payment plan. Accrual of interest will begin immediately following the end of the Remote Retailer Amnesty Program period (November 1, 2026).
  
  - C) All payments made pursuant to a Department approved payment plan must be made by ACH debit.
  
  - D) Application for payment plans under the Program are to be completed through the participant's MyTax account and in a form prescribed by the Department. All applications must provide a bank routing number, account number, monthly payment amount, and authorization to electronically withdraw said funds.
  
- 4) Other forms of payment:

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- A) The Department will treat the following items as payments qualifying under the Remote Retailer Amnesty Program:
  - i) Offset of a verified overpayment or credit memorandum relating to sales and excise taxes, to the extent available to the taxpayer prior to the end of the Remote Retailer Amnesty Period; or
  - ii) For a taxpayer under audit (including matters pending in the Fast Track Resolution Program or before the Informal Conference Board), an overpayment tentatively determined by the Department for a tax period in the audit may be offset against an eligible liability for another tax period in the same audit.
- B) The return, amended return or other allowable amnesty filing reporting the eligible liability to be offset must identify each verified overpayment, credit memorandum, or overpayment tentatively determined by the Department in an audit to be used as a Remote Retailer Amnesty Program payment by tax type, period, and amount.

- g) Civil Cases Pending in State Courts. Section 2-13(c)(5) of the ROTa provides that amnesty shall not be granted to taxpayers who are a party to any civil litigation that is pending in any circuit court, any appellate court, or the Supreme Court of this State for nonpayment, delinquency, or fraud in relation to any State tax imposed by any law of the State of Illinois. [35 ILCS 120/2-13(c)(5)]
  - 1) A payment made under the Protest Act initiates a civil suit in circuit court. Accordingly, payment of a liability under the Protest Act disqualifies the taxpayer from participating in the Remote Retailer Amnesty Program with respect to that liability, even if the liability would otherwise be an eligible liability and the payment is made during the remote retailer amnesty period.
  - 2) A taxpayer that is ineligible for the Remote Retailer Amnesty Program under this Section becomes eligible if the taxpayer ceases to be a party to a civil action by dismissing the action prior to the end of the remote retailer amnesty period. The action is dismissed on or before the October 31, 2026, deadline if the taxpayer has executed an agreed order stipulating to judgment in favor of the Department, and during the remote retailer amnesty period has either paid the eligible liability that is the subject of

428 the action, or, in a Protest Act case, agreed to a dissolution of the  
429 injunction and a court order that directs the amount of the eligible liability  
430 to be released to the Department. A taxpayer participating in the Program  
431 under this subsection (g)(2) need not file a return or amended return under  
432 subsection (e) with respect to the liability that is the subject of the  
433 litigation, but must specify in its motion to dismiss the action that it is  
434 doing so in order to participate in the Remote Retailer Amnesty Program  
435 and its payment of the eligible liability must be accompanied by a  
436 statement that the payment is being made under the Remote Retailer  
437 Amnesty Program and must identify the eligible liability being paid and its  
438 corresponding liability periods.

439  
440 3) Bankruptcy proceedings take place in federal courts, and a taxpayer in  
441 bankruptcy may be eligible to participate in the Remote Retailer Amnesty  
442 Program with approval of the bankruptcy court.

443  
444 4) A taxpayer that is a party to civil litigation in an Illinois court regarding a  
445 tax liability arising under another tax act is eligible to participate in the  
446 Remote Retailer Amnesty Program with respect to a liability arising under  
447 the Retailers' Occupation Tax Act.

448  
449 h) Matters Pending in the Department's Office of Administrative Hearings or at the  
450 Illinois Independent Tax Tribunal. Matters pending in the Department's Office of  
451 Administrative Hearings or at the Illinois Independent Tax Tribunal are not  
452 pending in any circuit court, any appellate court, or the Supreme Court of this  
453 State. [35 ILCS 120/2-13(c)(5)] Therefore, a tax liability that is being contested  
454 before one of the Department's or Tribunal's Administrative Law Judges is  
455 eligible for the Remote Retailer Amnesty Program.

456  
457 1) A taxpayer who wishes to participate in the Remote Retailer Amnesty  
458 Program with respect to an established liability at issue in a matter  
459 pending in the Office of Administrative Hearings or Illinois Independent  
460 Tax Tribunal must stipulate to judgment in favor of the Department with  
461 respect to that liability on or before October 31, 2026, and pay or enter  
462 into a repayment plan with the Department with respect to that liability  
463 during the remote retailer amnesty period.

464  
465 2) A taxpayer participating in the Remote Retailer Amnesty Program under  
466 this subsection (h)(2) need not file a return or amended return under  
467 subsection (e) with respect to the liability that is the subject of the  
468 proceeding, but must specify in the stipulation that it is participating in the  
469 Remote Retailer Amnesty Program and pay or enter into a Department  
470 approved payment plan regarding the eligible liability during the remote

471 retailer amnesty period. The stipulation must identify the eligible liability  
472 being paid and its corresponding liability periods.

473  
474 i) Matters Under Audit or Pending in the Fast Track Resolution Program or Before  
475 the Informal Conference Board. A tax liability under audit (including audits under  
476 review in the Fast Track Resolution Program or before the Informal Conference  
477 Board) is eligible for the Remote Retailer Amnesty Program.

478  
479 1) After an audit has been concluded, by the issuance of an amended return  
480 that becomes final prior to the beginning of the remote retailer amnesty  
481 period, the liability determined by the Department is an established  
482 liability. To participate in the Remote Retailer Amnesty Program, the  
483 taxpayer must report and remit the eligible liability by converting the  
484 established liability into a eligible liability amount using the Simplified  
485 Retailer's Occupation Tax Rate.

486  
487 2) Prior to the issuance of an amended return after the conclusion of an audit,  
488 a taxpayer may participate in the Remote Retailer Amnesty Program by  
489 reporting the amount of eligible liability that it estimates will result from  
490 the audit on an original or amended return and paying that amount during  
491 the remote retailer amnesty period. The Department will continue with the  
492 audit (including any proceedings in the Fast Track Resolution Program or  
493 before the Informal Conference Board) in the same manner as if no  
494 amnesty payment had been made, except that the interest and penalties  
495 related to the amnesty payment will be abated. Upon completion of the  
496 audit, offsets and refunds from overpayments on periods due to the  
497 estimated liability will be allowed.

498  
499 EXAMPLE. As of the beginning of the remote retailer amnesty period, the  
500 Department is auditing Taxpayer for retailers' occupation and use taxes  
501 due for the periods January 1, 2021, through June 30, 2026. The audit will  
502 not be completed before the end of the remote retailer amnesty period.  
503 After consulting with the Department's auditor, Taxpayer estimates that it  
504 owes an additional Retailers' Occupation Tax obligation of \$300 for each  
505 of the months of July, August, and September of 2022, applying the  
506 simplified retailers' occupation tax rate to its eligible transactions. During  
507 the remote retailer amnesty period, Taxpayer files amended returns and  
508 pays the additional \$300 in tax for each month. After the audit is  
509 completed (including any proceedings in the Fast Track Resolution  
510 Program or before the Informal Conference Board) in 2026, the  
511 Department determines that, taking into account the \$300 payments made  
512 during the remote retailer amnesty period, Taxpayer has overpaid its  
513 Retailers' Occupation Tax obligation for July of 2022 by \$150 and owes

514 an additional \$50 in Retailers' Occupation Tax for August of 2022. As  
 515 provided in subsection (i)(2), Taxpayer may receive a refund of the  
 516 overpayment for July of 2022. Also, if Taxpayer unsuccessfully contests  
 517 any portion of the \$50 underpayment after the conclusion of the audit, or  
 518 fails to pay in full the \$50 no later than the due date for payment of the  
 519 demand for payment made by the Department, amnesty will be denied on  
 520 the \$300 amount paid during the remote retailer amnesty period with  
 521 respect to August of 2022, as provided in subsection (m)(2)(B). The  
 522 abatement of penalties and interest with respect to the \$300 paid for  
 523 September of 2022 is not affected by any changes or proceedings related  
 524 to the liabilities for July or August of 2022. The Department will offset the  
 525 \$50 in additional tax for August of 2022 against the overpayment for July  
 526 of 2022 and allow a refund or credit of the remaining overpayment for  
 527 July of 2022, to the extent the refund or credit is not otherwise barred.  
 528 Taxpayer may also claim a refund or credit for some or all the \$50  
 529 additional tax for August of 2022, or for any other amount for July or  
 530 August of 2022, providing the refund or credit would otherwise be  
 531 allowable.

532  
 533 j) Criminal Investigation or Case. Section 2-13(c)(5) of the ROTA provides that  
 534 amnesty may not be granted to taxpayers that are a party to *any criminal*  
 535 *investigation or criminal litigation that is pending in any circuit court, any*  
 536 *appellate court, or the Supreme Court of this State for nonpayment, delinquency*  
 537 *or fraud in relation to any State tax imposed by any law of the State of Illinois.*  
 538 [35 ILCS 120/2-13(c)(5)] A taxpayer who is a party to a pending investigation or  
 539 case is ineligible to participate in the Remote Retailer Amnesty Program with  
 540 respect to the tax periods under investigation or contained in the complaint,  
 541 information, or indictment.

542  
 543 k) Eligible Liabilities. Under Section 2-13 of the ROTA, the Remote Retailer  
 544 Amnesty Program applies to any State or local retailers' occupation tax liabilities  
 545 arising from any eligible transaction made during the eligibility period. Each  
 546 liability that comes within the definition of "eligible liability" and meets the other  
 547 criteria for a taxpayer to participate in the Remote Retailer Amnesty Program is  
 548 generally divisible into two parts: the eligible liability that must be paid during  
 549 the remote retailer amnesty period, or pursuant to a Department approved  
 550 payment plan, and the penalty and interest that may be abated under the Remote  
 551 Retailer Amnesty Program. An exception to this rule is the reimbursement of  
 552 collection expenses incurred by the Department, when those expenses are not  
 553 deemed by statute to be part of the related tax liabilities. The obligation to pay  
 554 these expenses is not a penalty that may be abated by participation in the Remote  
 555 Retailer Amnesty Program, nor does failure to pay one of these expenses during  
 556 the remote retailer amnesty period, or pursuant to a Department approved

557 payment plan, disqualify the taxpayer from the benefits of amnesty. The  
558 following examples are illustrative of items that may be characterized as eligible  
559 liabilities or as penalties or interest that may be abated, or as expenses that are  
560 neither eligible liabilities nor penalties:

- 561
- 562 1) A taxpayer who has paid all of the tax due for a period prior to the remote  
563 retailer amnesty period, but has not yet paid all of the penalty and interest  
564 associated with the liability, may not participate in the Remote Retailer  
565 Amnesty Program with respect to the penalty or interest. This subsection  
566 (k)(l) applies regardless of the reason the tax has been paid, but not the  
567 penalty or interest, including instances when the taxpayer filed a return  
568 and paid its tax late, and so incurred late filing and late payment penalties,  
569 or because amounts paid by or collected from the taxpayer were applied  
570 against tax before being applied against penalty and interest pursuant to 86  
571 Ill. Adm. Code 700.500. A taxpayer may not seek to retroactively reapply  
572 payments previously made to the Department for the purpose of creating  
573 eligible liabilities eligible for the Remote Retailer Amnesty Program or  
574 increasing the amount of penalties and interest that will be abated as the  
575 result of the taxpayer's participation in the Remote Retailer Amnesty  
576 Program.
- 577
- 578 2) Over-collections of Use Tax that are required to be remitted to the  
579 Department by reason of Section 2-40 of the Retailers' Occupation Tax  
580 Act are tax liabilities that may be eligible liabilities rather than penalties  
581 that may be abated if the related eligible liability is paid during the remote  
582 retailer amnesty period.
- 583
- 584 3) The vendor's discount from tax allowed in Section 3 of the Retailers'  
585 Occupation Tax for the expenses of collecting and remitting is forfeited  
586 when the tax is not properly and timely paid. Any lost discount is a tax  
587 liability that may be an eligible liability rather than a penalty that may be  
588 abated if the related eligible liability is paid during the remote retailer  
589 amnesty period or pursuant to an authorized payment plan.
- 590
- 591 4) A collection agency fee that is added to a taxpayer's tax liability under  
592 Section 2505-400(a) of the Department of Revenue Law [20 ILCS 2505]  
593 is not a penalty but is a tax liability that may be an eligible liability. If an  
594 established liability has been referred to a collection agency and the fee is  
595 owed to the collection agency, the fee related to the established liability  
596 must be paid during the remote retailer amnesty period for the taxpayer to  
597 qualify for abatement of penalties and interest. However, if a taxpayer  
598 makes any payment of any portion of an established liability to a  
599 collection agency, the fee due the collection agency will be added to and

600 included in the eligible liability that must be paid during the remote  
601 retailer amnesty period for the taxpayer to qualify for amnesty.

602  
603 5) The recording fees that must be paid by a taxpayer before a lien for unpaid  
604 taxes may be released under Section 5a, 5b, or 5c of the Retailers'  
605 Occupation Tax Act [35 ILCS 120] are not added to the tax liability of the  
606 taxpayer and are neither tax liabilities nor penalties. A taxpayer's  
607 obligation to pay these fees is not abated by participation in the Remote  
608 Retailer Amnesty Program, nor is failure to pay one of these fees grounds  
609 for denying use of the simplified retailers' occupation tax rates or the  
610 abatement of penalties and interest under the Remote Retailer Amnesty  
611 Program.

612  
613 6) Responsible officer penalties imposed pursuant to UPIA Section 3-7 for  
614 failure to collect, account for and pay over trust taxes are penalties  
615 imposed on the responsible officer, even though the penalty includes  
616 unpaid tax, and therefore cannot be eligible liabilities of the responsible  
617 officer. However, a responsible officer's employer may participate in the  
618 Remote Retailer Amnesty Program. If the underlying trust tax liability of  
619 the employer is paid under the Remote Retailer Amnesty Program, the  
620 related penalties and interest, and therefore the responsible officer penalty,  
621 will be abated.

622  
623 1) Eligible Periods. Only taxes due for a taxable period ending after December 31,  
624 2020, and prior to July 1, 2026 are eligible for amnesty. The following examples  
625 are illustrative:

626  
627 1) The usual taxable period for Retailers' Occupation Tax purposes is the  
628 calendar month. A taxpayer reporting and paying Retailers' Occupation  
629 Tax on a monthly basis may participate in the Remote Retailer Amnesty  
630 Program with respect to a liability based on taxable receipts received after  
631 December 31, 2020, and prior to July 1, 2026.

632  
633 2) One exception to this general rule is the case of a taxpayer authorized to  
634 pay and who does pay Retailers' Occupation Tax liability on an annual or  
635 quarterly basis. The taxable period for annual taxpayers of Retailers'  
636 Occupation Tax is the calendar year during which gross receipts from  
637 retail sales were received. Consequently, annual taxpayers of Retailers'  
638 Occupation Tax may not participate in the Remote Retailer Amnesty  
639 Program with respect to a liability based on receipts received on and after  
640 January 1, 2026. Liabilities for receipts received by an annual taxpayer at  
641 any time during the 2021 taxable year are eligible for amnesty. The

642 taxable period for quarterly taxpayers is the quarterly period in which  
643 gross receipts from retail sales were received.

644  
645 3) Another exception to this general rule is the case of a taxpayer required to  
646 file and pay occupation tax liabilities from the sale of an aircraft,  
647 watercraft, motor vehicle, or trailer on a separate transaction reporting  
648 return. Each liability required to be reported on a separate transaction  
649 reporting return is a separate liability for purposes of Section 2-13 of the  
650 ROTA, and the taxable period for that liability is the date of delivery.

651  
652 m) Payment of All Taxes Due for a Taxable Period. Section 2-13 of the ROTA  
653 provides that remote retailers must make full payment of all State and local  
654 retailers' occupation taxes due with respect to the remote retailer's eligible  
655 transactions, using the simplified retailers' occupation tax rate, during the remote  
656 retailer amnesty period for amnesty to be granted, unless the remote retailer  
657 enters into an approved repayment plan with the Department during the remote  
658 retailer amnesty period.

659  
660 1) In order to participate in the Remote Retailer Amnesty Program a taxpayer  
661 must pay or enter into an approved repayment plan with regard to the  
662 entire eligible liability for each applicable tax period within the eligibility  
663 period, irrespective of whether that liability is known to the Department or  
664 the taxpayer, or whether the Department has assessed it.

665  
666 2) A taxpayer may participate in the Remote Retailer Amnesty Program with  
667 respect to an established liability only by either paying during the remote  
668 retailer amnesty period the full amount of the eligible liability that is due  
669 or entering into an approved payment plan with the Department. If a  
670 taxpayer pays only a portion of an eligible liability during the remote  
671 retailer amnesty period without an approved payment plan in place with  
672 the Department, and it is subsequently determined that the taxpayer has  
673 not paid the full amount of the eligible liability, abatement of penalties and  
674 interest for that tax period will be revoked and the simplified retailers'  
675 occupation tax rate will no longer be applicable to the liability.

676  
677 n) Overpayments of Eligible Liabilities. Participation in the Remote Retailer  
678 Amnesty Program shall preclude a taxpayer from claiming a refund for an  
679 overpayment of an established liability, including when the refund request is  
680 based on facts not in existence as of the time the amnesty payment is made.

681  
682 o) Statutes of Limitation and Other Filing Periods. Participation in the Remote  
683 Retailer Amnesty Program does not toll or extend any applicable statute of  
684 limitations or other time period for the filing of refund claims, protests with the

685 Department, or actions in circuit court under the Protest Act. The Taxpayers' Bill  
686 of Rights does not toll or extend any applicable statute of limitations. A statute of  
687 limitations or other time period that expires during or after the remote retailer  
688 amnesty period cannot be revived, even if the taxpayer has failed to satisfy all the  
689 requirements of the Remote Retailer Amnesty Program. The Department's  
690 procedures for obtaining waivers of statutes of limitations for taxpayers under  
691 audit shall continue to apply.

692  
693 p) Reasonable Cause

694  
695 1) Nothing in Section 2-13 of the ROTA or this Section is intended to change  
696 the meaning of "reasonable cause" as that term is used in UPIA Section 3-  
697 8. Taxpayers needing clarification of "reasonable cause" should consult 86  
698 Ill. Adm. Code 700.400.

699  
700 2) A taxpayer who would be entitled to abatement of a penalty due to  
701 "reasonable cause" for its delinquency remains entitled to abatement of  
702 that penalty even if it failed to participate in the Remote Retailer Amnesty  
703 Program with respect to any unpaid liability associated with that penalty.

704  
705 (Source: Added at 50 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)