

Illinois Department of Revenue Waives Penalties for Late Sales Tax Payments from Bars and Restaurants

Governor Pritzker announced on March 19 that effective immediately, the Illinois Department of Revenue will waive any penalties and interest from late sales tax payments for business taxpayers that are bars and restaurants. To qualify for the relief, the taxpayer must operate an eating and drinking establishment that incurred a total Sales Tax liability of less than \$75,000 in calendar year 2019. Eligible taxpayers will not be charged penalties or interest on late payments for Sales Tax liabilities reported on Form ST-1, Sales and Use Tax and E911 Surcharge Return, that are due for the February, March and April 2020 reporting periods. The IDOR bulletin announcing the relief states that IDOR will automatically waive penalties and interest, but if IDOR does impose penalties and interest that otherwise qualify for a waiver, the taxpayer can respond to the notice asserting relief. Qualified taxpayers are required to file Form ST-1 for each reporting period by their original due dates, even if they are unable to make a payment. To qualify for relief, taxpayers must pay their liabilities due in March, April and May 2020 in 25% increments on four dates starting on May 20, 2020 and the 20th day of each month, continuing through August 20, 2020.

A link to the bulletin is found here:

<https://www2.illinois.gov/rev/research/publications/bulletins/Documents/2020/FY2020-23.pdf>

As more Illinois business taxpayers are adversely affected by the COVID-19 pandemic, we can expect that IDOR will need to consider extending relief beyond the bar and restaurant industry.