



For Immediate Release
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Tax System Upgrades Identify 2014 Tax Allocation Error, Overpayment

IDOR Discloses Findings to Auditor General

SPRINGFIELD – A recent tax system modernization initiative at the Illinois Department of Revenue (IDOR) has uncovered a misallocation to the [Personal Property Replacement Tax \(PPRT\)](#) Fund that began under the Quinn administration. The error has resulted in overpayment of an estimated \$168 million to the taxing districts that receive PPRT disbursements. The over allocation was identified during IDOR's implementation of a new general ledger system, designed to enhance accuracy and efficiency at the Department.

Approximately 6,500 districts are impacted by the misallocation that began in 2014. For 5,291 Illinois taxing districts, the individual taxing district's total overpayment amounts to less than \$10,000. For 10 taxing districts, however, the overpayment totaled \$1 million or more. In 2014, the total amount of PPRT distributed to taxing districts was \$1.37 billion, and in 2015 the amount was \$1.43 billion.

"We are certainly sensitive to the impact recouping these funds will have on some of our taxing districts," said Connie Beard, IDOR Director. "We will be working with the impacted taxing districts to establish a plan to recapture the funds over an extended period of time. The Auditor General's regularly scheduled Financial and Compliance Audit of the Department began today, and we have fully disclosed the calculation error to the auditors for appropriate review."

The miscalculation occurred under the prior administration following the passage of Public Act [098-0478](#). The statutory change resulted in the discontinuation of Form IL-1000 and revisions to Forms IL-1065 and IL-1120-ST, which caused calculation errors associated with the payments for these forms.

Personal property replacement taxes (PPRT) are revenues collected by the State of Illinois and paid to local governments to replace money that was lost by local

governments when their powers to impose personal property taxes on corporations, partnerships, and other business entities was abolished in the 1970 Constitution.

For a complete list of all taxing districts impacted by the allocation error, visit IDOR's website at: tax.illinois.gov.

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