**Section 2500.120 Overpayments and Amendments**

a) Pursuant to Section 412(1)(a) of the Code, persons and companies are only entitled to a refund or offset if the overpayment occurred during the 6 year period immediately preceding the discovery of the overpayment. The discovery of the overpayment is the date when an amended tax return is filed with the Department pursuant to subsection (b), or when a written detailed description regarding the overpayment is filed with the Department pursuant to subsection (c).

b) An overpayment of tax shall be reported by the filing of an amended tax return.

1) An amended return shall be made by filing a copy of the original return that shows the amendments and includes explanations for those amendments.

2) Adjustments (e.g., cash refunds or additional cash payments of prior income or fire department taxes paid) shall be accounted for in the year paid or when issued a cash refund and shall not be the basis for amending a previous privilege or retaliatory tax return.

3) Any overpayment adjustment requested for the amount of fire department taxes or aggregate income taxes paid may not exceed the amount of privilege or retaliatory tax owed in the year the aggregate income tax or fire department tax was paid and for which the overpayment adjustment is now being sought.

c) An overpayment of a fee or other charge shall be reported in a written detailed description of the fee calculation, stating the differences between the Department's and company's or person's calculation, sent to the attention of the Tax and Fiscal Services Section of the Department.

d) If the Department determines that the reported overpayment is incorrect or does not meet the statutory requirements of Section 412(1)(a) of the Code, the Department shall notify the company or person in writing. The company or person may contest in writing the Department's stated adjustment. The written statement shall include the following information:

1) The company's name and Federal Employer Identification Number (FEIN);

2) The reasons why the stated adjustment is incorrect; and

3) A contact person for the company.

e) If, after the filing of a written response pursuant to subsection (b), the company or person and the Department cannot resolve the matter, the company or person may request an audit pursuant to Section 2500.50.

f) If verified by the Director, overpayment of a tax, fee or charge will automatically be applied toward the payment of any other taxes, fees or charges already due or that will become due, unless the company or person makes written request that the Department issue a cash refund pursuant to Section 2500.130 or transfer the overpayment to another account balance pursuant to Section 2500.140.

g) Upon written notice to the company or person at its last known address, any overpayment that has not been used and has not been transferred may be removed from the Department's records after 7 years and will be considered unclaimed monies under the Revised Uniform Unclaimed Property Act [765 ILCS 1026].

(Source: Added at 44 Ill. Reg. 3419, effective February 24, 2020)