**Section 2525.100 Penalty Assessment**

a) When an insurance company, the Illinois Fair Plan or surplus line producer fails to timely file any tax return or pay the full amount required under 50 Ill. Adm. Code 2510, 50 Ill. Adm. Code 2515, 50 Ill. Adm. Code 2520, and Section 409, 444, 444.1 or 445 of this Code [215 ILCS 5/409, 444, 444.1 or 445], or Section 12 of the Fire Investigation Act [425 ILCS 25/12] on the date prescribed, the following assessment may be made:

1) There shall be added as a penalty $200 or 5% of the amount of such tax, whichever is greater, for each month or part of a month of failure to file a return even if no tax is owed, the entire penalty not to exceed $1,000 or 25% of the tax due, whichever is greater;

2) When an insurance company, the Illinois Fair Plan or any surplus line producer fails to timely pay the full amount due under the provisions of 50 Ill. Adm. Code 2510, 50 Ill. Adm. Code 2515, 50 Ill. Adm. Code 2520, and Section 409, 444, 444.1 or 445 of this Code [215 ILCS 5/409, 444, 444.1 or 445], or Section 12 of the Fire Investigation Act [425 ILCS 25/12] the following penalties may be assessed:

A) There shall be added to the amount due as a penalty an amount equal to 5% of the deficiency; and

B) If such failure to pay is determined by the Director to be willful, after a hearing held pursuant to 50 Ill. Adm. Code 2500.50 and 50 Ill. Adm. Code 2402 and Sections 402 and 403 of the Code [215 ILCS 5/402 and 403], there shall be added to the tax as a penalty an amount equal to the greater of 25% of the deficiency or 5% of the amount due and unpaid for each month or part of a month that the deficiency remains unpaid commencing with the date that the amount becomes due. Such amount shall be in lieu of any amount determined under subsection (a)(2)(A) of this Section; and

3) In addition to subsections (a)(1) and (2) of this Section an insurance company, the Illinois Fair Plan, insurance company or any surplus line producer which fails to timely pay the full amount due under 50 Ill. Adm. Code 2510, 50 Ill. Adm. Code 2515, 50 Ill. Adm. Code 2520, and Section 409, 444, 444.1 or 445 of this Code [215 ILCS 5/409, 444, 444.1 or 445], or Section 12 of the Fire Investigation Act [425 ILCS 25/12], in addition to the tax and any penalties, shall be assessed interest on such deficiency at the rate of 12% per annum, or at such higher adjusted rates as are or may be established under subsection 6621(b) of the Internal Revenue Code (26 USCS 6621(b)), from the date that payment of any such tax was due, determined without regard to any extensions, to the date of payment of such amount.

4) Adjustments to any tax return that do not result in the payment of additional taxes to this State will not subject an insurance company, the Illinois Fair Plan or surplus line producers to penalties or interest under this Section unless found to be willful under subsection (a)(2)(B) of this Section.

b) When an insurance company or affiliated group fails to timely pay the full amount of any fee or charge of $100 or more due under 50 Ill. Adm. Code 2505 and Section 408 of the Code [215 ILCS 5/408], there may be added to the amount due as a penalty the greater of $50 or an amount equal to 5% of the deficiency for each month or part of a month that the deficiency remains unpaid. In addition to the fee or charge, interest on such deficiency shall be assessed at the rate of 12% per annum, or at such higher adjusted rates as are or may be established under subsection 6621(b) of the Internal Revenue Code (26 USCS 6621(b)), from the date that payment of any such fee or charge was due to the date of payment of such amount may be also added.