



The 2025 Illinois Tax Delinquency Amnesty Act authorized the Illinois Department of Revenue to offer up two amnesty programs, allowing taxpayers who need to triage historical liabilities – either due to underreporting or non-reporting – to come forward and establish a clean slate with the state. Unlike other amnesty programs, the upcoming Illinois amnesty programs offer a powerful incentive: not only will the state waive penalties, but it will also waive any interest that otherwise would have accrued on the disclosed liabilities. The first of these amnesty programs kicks off next week, and this alert provides further detail about that program.

The second amnesty program is geared specifically toward remote retailers and will run next year.

The 2025 Amnesty Program

The 2025 amnesty program opens on October 1 and will run through November 17, 2025. Eligible companies who participate will receive the amnesty penalty and interest waiver if they:

1. File all required returns, amended or previously unfiled, for the amnesty period with IDOR.
2. Pay all outstanding eligible tax liabilities for the amnesty period, during the open period from October 1 through November 17.

Liabilities for tax periods whose returns were due after June 30, 2018 and before July 1, 2024 are eligible for the program.

Companies who have not filed any tax return for a tax period covered by the program, or who underreported the taxes due on a return filed for an eligible period are open to participate. To do so, the company will need to file the outstanding returns or amend the previously-filed return for a covered period. We recommend companies do so through their MyTax Illinois account.

For companies who were recently under audit, or who are wrapping up a current audit and anticipate that it will be completed by November 17 qualify if their liability is paid by



November 17. Companies who are currently under audit, where that audit will not be completed by November 17, may still participate by paying the amount of tax they estimate will be due as a result of the audit for the amnesty period. Companies who go this route but ultimately determine they over-estimate their amnesty payment will receive a refund of the taxes paid. However, given that the company benefited from a waiver of interest by participating in the program, Illinois will not pay interest on refunded amnesty overpayments.

Even companies with pending cases before the Board of Appeals, IDOR's Administrative Hearings, or the Independent Tax Tribunal may participate.¹ Companies in this position should contact the Illinois Department of Revenue representative or attorney assigned to their case to arrange participation.

Companies who participate in the amnesty program may log in to their MyTax Illinois account and direct any payment owed under the amnesty toward the reported liability. If the company prefers to make payment by check, which we do not recommend, Illinois has instructed participants to issue a separate check for each tax type and tax period being disclosed. The published guidance indicates that if a company issues a single check to cover multiple periods disclosed under amnesty, the company must clearly identify each eligible tax liability being paid by tax type, period, and amount.

If you have a verified sales/use tax overpayment or sales/use tax credit memorandum on your account, you may contact Illinois DOR to have those amounts treated as qualified payments toward amnesty liabilities that are disclosed.

The 2026 Amnesty Program

While remote sellers may participate in this amnesty, a second amnesty period specifically for remote sellers with sales tax liability will be open from August 1, 2026 through October 31, 2026. It will cover taxes due between January 1, 2021 and June 30, 2026. As we note above, as we get closer to the 2026 amnesty window we will follow up with further details about how to participate.

¹ More details about eligibility can be found at <https://tax.illinois.gov/research/publications/bulletins/fy-2026-01.html>.



If you have any questions or you'd like to discuss whether one of these amnesty programs is right for your company, please do not hesitate to contact any member of the B&I tax team listed here:

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