



# Schedule UB/NLD Unitary Illinois Net Loss Deduction

Carry year ending

For Illinois net losses arising in tax years ending **on or after** December 31, 1986.

Attach to your Form IL-1120, Form IL-1120-X, or Form IL-1120X-PY.

Month \_\_\_\_\_ Year \_\_\_\_\_

Name as shown on the tax return of the member filing the Schedule UB in this carry year \_\_\_\_\_ Federal employer identification no.(FEIN) \_\_\_\_\_

## Part I: Figure your Illinois net loss

Read the instructions before completing this schedule. See General Information, "What is new"? All references to separate unitary returns are for tax years ending **prior to** December 31, 1993. Complete this part for all Illinois members of the unitary group in the loss year. (See Specific Instructions.) "Loss year" is the tax year in which the loss occurred. Write the month and year of the loss being reported. At the top of each column write the FEIN of each Illinois member. (Attach a separate sheet if necessary.)

Loss year ending _____ / _____ Month Year	Was an Illinois combined return filed for this loss year? Yes <input type="checkbox"/> No <input type="checkbox"/>			
	A	B	C	D Combined totals
FEIN: _____				
1 Write the unitary business income (loss) apportionable to Illinois.	_____	_____	_____	_____
2 Write the nonbusiness income (loss) allocable to Illinois.	_____	_____	_____	_____
3 Write the non-unitary partnership business income (loss) apportionable to Illinois.	_____	_____	_____	_____
4 Add Lines 1 through 3. This is the base income or net loss allocable to Illinois.	_____	_____	_____	_____
5 Write the total loss of loss members. See instructions.				5 _____

## Part II: Figure each member's apportionment of the combined unitary loss

Complete this part only if you are carrying a combined unitary loss to a separate unitary carry year.

6 Figure each member's NLD factor. See instructions.	_____	_____	_____	_____
7 Multiply Line 4, Column D, by each member's NLD factor shown on Line 6. Write "0" if an NLD factor was not computed on Line 6.	_____	_____	_____	_____



**Remember:** You must attach supporting documentation to this schedule.

This form is authorized as outlined by the Illinois Income Tax Act. Disclosure of this information is required of those taxpayers to whom this form applies. Failure to provide this information when required could result in a penalty. This form has been approved by the Forms Management Center. IL-492-2298





# Schedule UB/NLD Instructions

For Illinois net losses arising in tax years ending on or after December 31, 1986.

## General Information

### What is new?

You **must** attach copies of the original loss year returns, front and back, amended returns, or audit reports reflecting the loss amounts that you are claiming on this schedule. Failure to do so will result in processing delays.

### What is the purpose of this schedule?

The purpose of Schedule UB/NLD is to calculate the total amount of unitary Illinois net loss available, the amount deductible for this year, and the remaining NLD available for use in other years. This Illinois net loss is allowed as a carryback or carryforward deduction in the manner allowed under Internal Revenue Code (IRC), Section 172, including, for example, the conditions and limitations of IRC, Sections 381 and 382.

#### The purpose of Part I is to

- report the composition of Illinois net loss; and
- compute the separate Illinois net loss of each member who was required to file an Illinois return when that loss is to be carried to a separate unitary return.

**The purpose of Part II is to** apportion any combined unitary loss that is to be carried to a separate unitary return.

**The purpose of Part III is to** report the application of Illinois net loss against the base income allocable to Illinois of a unitary group, or its separate group members.

### When must I use this schedule?

You must use this schedule

- to carry forward or back a unitary Illinois net loss; or
- to carry forward or back a non-unitary Illinois net loss to a unitary year.

An Illinois net loss deduction (NLD) can be used to reduce the base income allocable to Illinois only if the loss year return has been filed and the loss was not used to offset income from any other tax year. Schedule UB/NLD must be used to support Part IV, Line 2, of Form IL-1120; Part IV, Line 2, Column C, of Form IL-1120-X; or Part I, Line 9, Column C, of Form IL-1120X-PY.

**Note:** If corrections have been made to the loss amount (e.g., federal audit, or amended return), you must report the corrected amount when you file this schedule.

### What do I need to complete?

#### A Combined unitary loss year

If you filed a combined unitary Form IL-1120 reporting a loss and that loss is being applied to

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- a combined unitary carry year return, **only** complete Column D of Part I, Lines 1 through 4, and Part III.
- separate unitary carry year returns, complete all of Parts I, II, and III. You **must** attach a copy of the loss year(s) Schedule UB, Part IV. If Part IV does not report each member's average apportionment factor, you must also attach a separate worksheet providing this information. Refer to the current Schedule UB for an example of the required formatting.

#### B Separate unitary loss year

If you filed separate unitary Forms IL-1120 reporting a loss and that loss is being applied to

- a combined unitary carry year return, complete all columns of Part I, Lines 1 through 5, and Part III.
- separate unitary carry year returns, complete all columns of Part I, Lines 1 through 4, and Part III. You **must** attach a copy of the loss year(s) Schedule UB, Part IV. If Part IV does not report each member's average apportionment factor, you must also attach a separate worksheet providing this information. Refer to the current Schedule UB for an example of the required formatting.

#### C Non-unitary loss year

If you are carrying a non-unitary loss to a unitary year, complete Part III only.

#### D Changes in membership

If the membership is not the same in both the loss year and the carry year, refer to the Illinois Income Tax Regulations, Section 100.2350.

### What if I need assistance?

For further information you may write to Illinois Department of Revenue, P.O. Box 19044, Springfield, IL 62794-9044. If you prefer, you may call 1 800 732-8866, 217 782-3336 or TDD-telecommunications device for the deaf 1 800 544-5304.

## Specific Instructions

### Part I: Figure the Illinois net loss

**Note:** If your loss year and carry year were filed on a combined return basis, complete Column D only.

**Line 1** — Write the unitary business income (loss) apportionable to Illinois of each member who is required to file an Illinois return in the loss year. This may be calculated by multiplying Schedule UB, Part IV, Line 1, Column D, by each member's average apportionment on that schedule's Line 4 **or** from the required worksheet if the apportionment calculations are not shown on Part IV.

**Line 2** — Write each member's nonbusiness income (loss) allocable to Illinois.

**Line 3** — Write each member's partnership business income (loss) apportionable to Illinois.

**Line 4** — Add Lines 1 through 3. The result is base income or net loss allocable to Illinois. The amount in Column D is your group's Illinois net loss.

If your loss year and carry year were filed on a combined return basis, write the result (Column D) in Part III, Column C. Do not complete the remainder of Part I, or any of Part II.

If your loss year and carry year were filed on a separate return basis, and Line 4 of any column is a loss, write that amount in Part III, Column C. Do not complete the remainder of Part I, or any of Part II.

**Line 5** — In Column D, write the total loss of all group members showing a loss on Line 4.

If your loss year was filed on a separate return basis and you are applying that loss to a combined carry year, write the result in Part III, Column C. Do not complete any of Part II.

If your loss year was filed on a combined return basis and you are applying that loss to a separate return basis carry year, continue to Part II.

### Part II: Figure each member's apportionment of the combined loss

**Line 6 - NLD factor** — For each member showing a loss on Line 4, divide that member's Line 4 by Line 5 (Column D). If the member shows zero or a positive amount on Line 4, write "0" on the corresponding column of Line 6.

**Line 7** — Follow the instructions on the form. Write the results in Part III, Column C.

### Part III: Figure the Illinois net loss deduction (NLD)

**Write all amounts as positive figures.**

**Note:** If you are applying net loss to a combined unitary return, report each column as a single combined amount.

**Column A** — If you are applying loss to a separate unitary return, write the FEIN of each member to which a loss is being carried. If you are applying loss to a combined unitary return, write the FEIN of the designated agent or member filing Schedule UB.

**Column B** — Write the tax year ending of the Illinois net loss being applied in this carry year. The first entry should be the **earliest** loss year, if more than one loss year is being reported.

**Column C** — Write the Illinois net loss that is available to be used as an Illinois net loss deduction. See instructions for Parts I and II. If the loss is from a non-unitary return, this amount comes from the loss year Form IL-1120, Part IV, Line 1.

**Column D** — Write the amount, or total amounts, of Illinois net loss previously used to offset base income allocable to Illinois in any previous year. This amount is shown on the prior years' Form IL-1120, Part IV, Line 2; Form IL-1120-X, Part IV, Line 2, Column C; or Form IL-1120X-PY, Part I, Line 9, Column C.

**Column E** — Subtract Column D from Column C. This is the remaining Illinois net loss available for application to this carry year.

**Column F** — For each member to which a loss is being carried, write the carry year's base income allocable to Illinois reported on the member's return (*i.e.*, Form IL-1120, Part IV, Line 1). If you are submitting this schedule as support for Form IL-1120-X or Form IL-1120X-PY, write the amount shown on Form IL-1120-X, Part IV, Line 1, Column C, minus Part IV, Line 2, Column A, or Form IL-1120X-PY, Part I, Line 8, Column C, minus Part I, Line 9, Column A. If this is a negative amount, you **should not** be using Schedule UB/NLD.

**Column G** — Write the lesser of Column E or Column F on this year's Form IL-1120, Part IV, Line 2. This is your Illinois net loss

deduction (NLD). If you are sending this schedule as support for Form IL-1120-X or Form IL-1120X-PY, write this amount on your Form IL-1120-X, Part IV, Line 2, Column C, or Form IL-1120X-PY, Part I, Line 9, Column C. The total of this column cannot be greater than the total of Column F.

**Column H** — Subtract Column G from Column F.

**Column I** — Subtract Column G from Column E. This is the remaining NLD that you may carry forward to other tax years. This amount should equal Part III, Column E, of your **subsequent** Schedule UB/NLD.

**Example of Schedule UB/NLD to be attached to carry year ending 12/92.**

A unitary group has three members that were required to file Form IL-1120. The group filed a combined Form IL-1120 in loss year ending December 31, 1991. \$2,000 of its \$6,700 combined net loss was carried back to previous tax years. The example shows composition of each member's Illinois net loss, and the application of the remaining \$4,700 NLD on a separate unitary basis for carry year ending December 31, 1992. Corporation A reported \$372 base income allocated to Illinois for 1993

and Corporation B reported \$2,642. After application, an NLD of \$1,910 is available to be carried to subsequent tax years.

If the carry year had been filed on a combined unitary basis, the taxpayer would have completed only Column D of Part I through Line 4; Columns C through F of Part III would appear as single combined amounts (*i.e.*, would equal Line 2 totals). Column G would have been \$3,014; Column H would have been zero; and Column I would have been \$1,686.

If the loss year and the carry year had been filed on a separate return basis, each

member required to file Form IL-1120 would have been listed in Part I. Lines 1 through 4 would have been completed. Those members with negative amounts on Line 4 would carry their losses to Part III, separately. Application would be similar to the example except the NLD available (Column C for each member) would be as shown in Part I, Line 4. Column I, Line 2, would be \$2,858.

If a separate unitary loss was to be carried to a combined unitary year, Lines 1 through 5 of Part I would be completed. The Column D amount on Line 5 would be carried to Part III as a single combined amount. Column I would be \$2,686.

**Part I: Figure your Illinois net loss**

Loss year ending	<u>12 / 91</u> Month Year	Was an Illinois combined return filed for this loss year? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>			
Carry year ending	<u>12 / 92</u> Month Year	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b> Combined totals
		FEIN: <u>12-3457932</u>	<u>86-4379444</u>	<u>27-0000000</u>	<u>12-3457932</u>
1 Write the unitary business income (loss) apportionable to Illinois.		<u>&lt;2,000&gt;</u>	<u>&lt;8,500&gt;</u>	<u>&lt;2,000&gt;</u>	<u>&lt;12,500&gt;</u>
2 Write the nonbusiness income (loss) allocable to Illinois.		<u>600</u>	<u>400</u>	<u>3,000</u>	<u>4,000</u>
3 Write the non-unitary partnership business income (loss) apportionable to Illinois.		<u>1,000</u>	<u>800</u>	<u>0</u>	<u>1,800</u>
4 Add Lines 1 through 3. This is the base income or net loss allocable to Illinois.		<u>&lt;400&gt;</u>	<u>&lt;7,300&gt;</u>	<u>1,000</u>	<u>&lt;6,700&gt;</u>
5 Write the total loss of loss members. See instructions.				5 <u>&lt;7,700&gt;</u>	

**Part II: Figure each member's apportionment of the combined unitary loss**

Complete this part only if you are carrying a combined unitary loss to a separate unitary carry year.

6 Figure each member's NLD factor. See instructions.		<u>.051948</u>	<u>.9485052</u>	<u>0</u>	<u>1.000000</u>
7 Multiply Line 4, Column D, by each member's NLD factor shown on Line 6. Write "0" if an NLD factor was not computed on Line 6.		<u>&lt;348&gt;</u>	<u>&lt;6,352&gt;</u>	<u>0</u>	<u>&lt;6,700&gt;</u>

**Part III: Figure your Illinois net loss deduction (NLD)**

**Separate unitary carry year** — Complete Columns A through I for any member of the unitary group which will report an Illinois net loss deduction (NLD) in this carry year.

**Combined unitary carry year** — Complete Columns A through I as single combined amounts.

"Carry year" is the year to which the loss is being carried. (See instructions.)

Write all amounts as positive figures.

A	B	C	D	E	F	G	H	I
FEIN	Loss year mo./yr.	Illinois net loss available	Illinois net loss previously used	Remainder of Illinois net loss	Base income allocable to Illinois	Illinois net loss deduction (NLD)	Base income after NLD	Remaining NLD
1 <u>12-3457932</u>	<u>12 / 91</u>	<u>348</u>	<u>200</u>	<u>148</u>	<u>372</u>	<u>148</u>	<u>224</u>	<u>0</u>
<u>86-4379444</u>	<u>12 / 91</u>	<u>6,352</u>	<u>1,800</u>	<u>4,552</u>	<u>2,642</u>	<u>2,642</u>	<u>0</u>	<u>1,910</u>
	/							
2 Totals	2	<u>6,700</u>	<u>2,000</u>	<u>4,700</u>	<u>3,014</u>	<u>2,790</u>	<u>224</u>	<u>1,910</u>