General Information

Schedule SA (IL-1120) is for use by taxpayers with tax years ending **on** or **after** December 31, 2017, and before December 31, 2018, only.

The purpose of Schedule SA, Specific Accounting, is to provide a means for calculating your income and tax at separate rates, due to an income tax rate change during your tax year. The Schedule SA allows you to figure your tax based on the specific accounting method.

Specific accounting method - The specific accounting method allows you to treat your net income or loss and modifications as though they were received in two different taxable years.

For **corporations**, the amount received prior to July 1, 2017, is taxed at 5.25 percent. The amount received on or after July 1, 2017, is taxed at 7.0 percent.

The two tax amounts are then added together to get the total tax liability.

≡Note→ If you are a 52/53 week filer electing to use the Specific Accounting method, you must accurately show the division of income on Schedule SA.

Who should use Schedule SA?

You must use Schedule SA if you elect not to use the blended rate method of computing your tax when the rate changes during your tax year. The blended rate method taxes your income as if you received it evenly throughout the year.

If you actually received more of your income during the period to which the 5.25 percent tax rate applies, electing to use the specific accounting method on Schedule SA to determine how much of your income is taxed at the 5.25 percent rate and how much is taxed at the 7.0 percent rate will reduce your tax liability. The election is made by attaching Schedule SA to your timely-filed original return. **This election must be made by the extended due date of this return. Once the election is made, it is irrevocable.**

Attach this form directly behind your Form IL-1120, as **Attachment No. 1.** This attachment supersedes all other attachments.

Specific Instructions

Step 1 — Provide your business information

Line A — Enter the name of your corporation, as shown on your Form IL-1120, Corporation Income and Replacement Tax Return.

Line B — Enter your entire FEIN as shown on your Form IL-1120. *≡Note→* A partial FEIN will delay the processing of your return.

Step 2 — Figure your business income or loss and Step 3 — Figure your apportionment factor

Column A — For each line item, enter the amount included for the portion of your tax year that comes before July 1, 2017, based on your method of accounting.

Column B — For each line item, enter the amount included for the portion of your tax year that comes on or after July 1, 2017, based on your method of accounting.

≡Note→ All items of income, deduction and loss passed through to you by a partnership, S corporation, trust, or estate are treated as received by you on the last day of that entity's taxable year.

Step 2 —

The total amount from Columns A and B Line —	Must equal the amount on Form IL-1120, Line —
1	1
2	2
3	3 through 8 combined
4	9
5	22
6	23

If you did not complete Step 4 of your Form IL-1120 — Skip Step 3, enter the amounts from Line 6 on Step 4, Line 17, and complete the rest of this schedule.

If you completed Step 4 of your Form IL-1120 — Complete Steps 3 and 4 of this schedule.

Step 3 —

The total amount from Columns A and B Line —	Must equal the amount on Form IL-1120, Line —
7	24
8	25
9	26
10	27

The amount from Line —	Must equal the amount on Form IL-1120, Line —
11	28
12	29
13	30

The total amount from Columns A and B Line —	Must equal the amount on Form IL-1120, Line —
14	31
15	32
16	33

Step 4 — Figure your income tax

Line 17 — Follow the instructions on the form.

The total amount from Columns A and B Line —	Must equal the amount on Form IL-1120, Line —
17	35

Line 18 — Enter the amount of your Illinois net loss deduction from Form IL-1120, Line 38.

Line 19 —

Column A: Subtract the entire amount of Illinois net loss deduction shown on Line 18 from Column A, Line 17 and enter the result here. The result can be a negative number. If the result is a negative number, enter the amount as a negative number here.

Column B: Enter the amount from Column B, Line 17 on this line.

Line 20 —

Before completing this line determine if Column B, Line 19 is zero, a positive number, or a negative number and follow the instructions below.

If Column B, Line 19 is negative:

- enter zero in Column B, Line 20, and
- enter in Column A, Line 20, the result of adding Column B, Line 19, plus Column A, Line 19.

≡Note→ If both Column A, Line 20, and Column B, Line 20, are negative, you have no tax liability to calculate. Do not use this schedule.

If Column B, Line 19 is positive or zero:

- enter Column A, Line 19, on Column A, Line 20, and
- enter Column B, Line 19, on Column B, Line 20.

≡Note→ If Column A, Line 20, is negative or zero, using Schedule SA instead of using the blended rate will result in a higher tax liability. Do not use this schedule.

Lines 21 and 22 — Follow the instructions on the form.

≡Note→ Attach this form directly behind your Form IL-1120, as **Attachment No. 1.** This attachment supersedes all other attachments.