TITLE 86: REVENUE
CHAPTER I: DEPARTMENT OF REVENUE

PART 100
INCOME TAX

Section 100.2055 Standard Exemption (IITA Section 204)

a) *In computing net income, there shall be allowed as an exemption the sum of the basic amounts provided under subsections (b) and (c) plus the additional exemptions allowed under subsection (d), multiplied by a fraction, the numerator of which is the amount of the taxpayer's base income allocable to this State for the taxable year and the denominator of which is the taxpayer's total base income for the taxable year.* (IITA Section 204(a))

b) Each taxpayer shall be allowed an exemption in the basic amount equal to:

1) in the case of an individual:

A) *for taxable years ending prior to December 31, 1998, $1,000;* (IITA Section 204(b))

B) *for taxable years ending on or after December 31, 1998 and prior to December 31, 1999, $1,300;* (IITA Section 204(b)(1))

C) *for taxable years ending on or after December 31, 1999 and prior to December 31, 2000, $1,650;* (IITA Section 204(b)(2))

D) *for taxable years ending on or after December 31, 2000, and prior to December 31, 2012, $2,000;* (IITA Section 204(b)(3))

E) *for taxable years ending on or after December 31, 2012 and prior to December 31, 2013* and for taxable years beginning on or after June 1, 2017, $2,050; (IITA Section 204(b)(4))

F) *for taxable years ending on or after December 31, 2013 and on or before December 31, 2023*, *$2,050 plus the cost-of-living adjustment under subsection (e); and* (IITA Section 204(b)(5))

G) for taxable years ending after December 31, 2023, zero.

2) *for taxable years ending on or after December 31, 1992, an individual taxpayer whose Illinois base income exceeds the basic amount and who is claimed as a dependent on another person's tax return under the Internal Revenue Code shall not be allowed any basic amount under this subsection* (b)*.* (IITA Section 204(b))

3) *in the case of a corporation, $1000 for taxable years ending prior to December 31, 2003 and $0 for taxable years ending on or after December 31, 2003.* (IITA Section 204(b))

4) in the case of an organization exempt from tax under IITA Section 205(a), $0. (See IITA Section 205.)

5) in all other cases, $1,000. (See IITA Section 204(b).)

c) Each *individual taxpayer shall be allowed an additional exemption equal to the basic amount for each exemption in excess of one allowable to that individual taxpayer for the taxable year under* IRC section 151*.* (IITA Section 204(c))

d) Additional Exemptions

1) Each individual taxpayer is allowed:

A) *an additional exemption of $1,000 for the taxpayer if he or she has attained the age of 65 before the end of the taxable year;* (IITA Section 204(d)(1))

B) *an additional exemption of $1,000 for the taxpayer if he or she is blind at the end of the taxable year;* (IITA Section 204(d)(2))

C) *an additional exemption of $1,000 for the spouse of the taxpayer if the spouse has attained the age of 65 before the end of the taxable year* plus *an additional exemption of $1,000 for the spouse of the taxpayer if the spouse is blind as of the end of the taxable year* and, in either case:

i) *a joint return is not made by the taxpayer and his or her spouse;*

ii) *for the calendar year in which the taxable year of the taxpayer begins, the spouse has no gross income and is not the dependent of another taxpayer.* (IITA Section 204(d)(1) and (2))

2) *For purposes of this subsection* (d)*, an individual is blind only if his or her central visual acuity does not exceed 20/200 in the better eye with correcting lenses, or if his or her visual acuity is greater than 20/200 but is accompanied by a limitation in the fields of vision such that the widest diameter of the visual fields subtends an angle no greater than 20 degrees. A spouse who dies before the end of a taxpayer's taxable year and who is blind at the time of his or her death shall be treated as blind as of the end of the taxable year.* (IITA Section 204(d)(2))

e) *The cost-of-living adjustment for any calendar year and for taxable years ending prior to the end of the subsequent calendar year is equal to $2,050 times the percentage (if any) by which the Consumer Price Index for the preceding calendar year exceeds the Consumer Price Index for the calendar year 2011.* For purposes of this subsection (e):

1) *The Consumer Price Index for any calendar year is the average of the Consumer Price Index as of the close of the 12-month period ending on August 31 of that calendar year.*

2) *The term "Consumer Price Index" means the last Consumer Price Index for All Urban Consumers published by the United States Department of Labor or any successor agency.*

3) *If any cost-of-living adjustment is not a multiple of $25, that adjustment shall be rounded to the next lowest multiple of $25.* (IITA Section 204(d-5))

f) *In the case of a taxable year for a period of less than 12 months, the standard exemption allowed under this Section shall be prorated on the basis of the number of days in that year to 365.* (IITA Section 401(b))

g) *Notwithstanding any other provision of law, for taxable years beginning on or after January 1, 2017, if the taxpayer's adjusted gross income for the taxable year exceeds $500,000, in the case of spouses filing a joint federal tax return or $250,000, in the case of all other taxpayers,* the exemption allowed under this Section is zero. (IITA Section 204(g)) For purposes of this provision, each spouse is a separate taxpayer. This provision applies to partnerships, trusts and estates as well as to individuals. For estates and trusts, adjusted gross income is defined in IRC section 67(e). Because partnerships are not required to compute adjusted gross income, partnerships may use taxable income as defined in IITA Section 203(e)(2)(H) for purposes of this subsection (g).

(Source: Amended at 44 Ill. Reg. 2845, effective February 14, 2020)