

**Illinois Department of Revenue
Regulations**

Title 86 Part 100 Section 100.3015 Business Income Election (IITA Section 1501)

TITLE 86: REVENUE

**PART 100
INCOME TAX**

Section 100.3015 Business Income Election (IITA Section 1501)

- a) *For each taxable year beginning on or after January 1, 2003, a taxpayer may elect to treat all income other than compensation as business income. This election shall be made in accordance with rules adopted by the Department and, once made, shall be irrevocable. (IITA Section 1501(a)(1))*
- b) The election under this Section shall be made on the original return filed by the person making the election for the taxable year to which the election applies or on a corrected return filed prior to the due date (including extensions) for the return pursuant to Section 100.9400(f)(3) of this Part. An election made on an original return may also be revoked on a timely-filed corrected return. After the extended due date for filing the return has passed, the election may still be made on an original return, but an election that has been made on the original or corrected return may no longer be revoked.
- c) In the case of a partnership, estate, trust or Subchapter S corporation, for purposes of IITA Section 305, 307 or 308, respectively, an election made by the pass-through entity to treat all of its income as business income shall be binding on its partners, beneficiaries and shareholders. An election by a partner, beneficiary or shareholder to treat all income as business income shall cause all nonbusiness income received by that partner, beneficiary or shareholder from the pass-through entity to be treated as business income received directly by the partner, beneficiary or shareholder.
- d) In the case of a combined group of corporations filing a combined return under Subpart P of this Part, the election shall be made each year by the designated agent of the group and shall apply to all income of the unitary business group required to be shown on the combined return, including income of members who do not join in the filing of the combined return.

(Source: Added at 30 Ill. Reg. 10473, effective May 23, 2006)