

Illinois Department of Revenue
1500 South Ninth Street
Springfield, Illinois 62708

INFORMATIONAL BULLETIN FY84-15

TO: All Fiduciaries and Tax Practitioners
SUBJECT: Temporary Illinois Income Tax Increase
Delay in Replacement Tax Investment Credit Public Act 83-14

GENERAL INFORMATION

NOTE: THIS INFORMATIONAL BULLETIN ALSO APPLIES TO ANY IL-1040
INDIVIDUAL RETURNS FILED ON A FISCAL YEAR BASIS DURING 1983.

TAX RATES

Recent legislation increased income tax rates temporarily for estates, trusts, and individuals from 2.5% to 3% for the period January 1, 1983 to June 30, 1984. The rates return to 2.5% on July 1, 1984. The rate of personal property replacement tax for trusts remains at 1.5%.

REPLACEMENT TAX INVESTMENT CREDIT (TRUSTS ONLY)

The effective date of the personal property replacement tax investment credit has been delayed one year until July 1, 1984. Therefore, you are not eligible to take this credit (as computed on Form IL-477) for any tax year ending prior to July 1, 1984. This is the only change made to the replacement tax provisions of the Illinois Income Tax Act as a result of this law.

RETURNS NOT YET FILED

If you have not filed returns for fiscal year 1983, you should use the worksheet below to compute the appropriate income tax. Detach and submit it with the IL-1041, for those filing fiduciary returns or IL-1040, for those filing individual income tax returns.

WORKSHEET FOR COMPUTATION OF INCOME TAX

1. Illinois net income IL-1041, Schedule C,
Part I Line 3 or IL-1040, Line 7 (1) _____
2. Income after 1-1-83. Multiply Line 1 by
appropriate decimal from proration table
below.* (2) _____
3. Multiply Line 2 by 3% (.03) (3) _____
4. Income before 1-1-83. Subtract Line 2
from Line 1 (4) _____
5. Multiply Line 4 by 2.5% (.025) (5) _____
6. TOTAL TAX. Add lines 3 and 5. Enter
this amount here and on the IL-1041,
Schedule C, Part I, Line 4 or IL-1040,
Line 8 (6) _____

You must attach this worksheet to your return.

PRORATION TABLE

For Taxable Years of 12 Months Which Ended On The Last Day Of The Month

Year Ending	Use	Year Ending	Use	Year Ending	Use
January 31, 1983	.084932	May 31, 1983	.413699	Sept. 30, 1983	.747945
Feb. 28, 1983	.161644	June 30, 1983	.495890	Oct. 31, 1983	.832877
March 31, 1983	.246575	July 31, 1983	.580822	Nov. 30, 1983	.915068
April 30, 1983	.328767	Aug. 31, 1983	.665753		

RETURNS PREVIOUSLY FILED - SUPPLEMENTAL RETURNS

If you filed your return by November 15, 1983, you should complete and file the attached supplemental return (Form IL-1041-SR/IL-1040-SR) by January 15, 1984. The liability you calculate on the supplemental return cannot be used to offset any previous overpayments. If you fail to file by January 15, 1984, you will be considered a nonfiler and may be subject to appropriate penalties and interest. If your IL-1041/IL-1040 indicated no tax liability, you do not have to file a Form IL-1041SR/IL-1040SR.

SPECIFIC ACCOUNTING

Taxpayers may elect to use specific accounting instead of the proration method (the method used on the Page 1 worksheet). The election must be made by the due date (or extended due date) of the original return, and is irrevocable. Schedule SA (1041) or Schedule SA (1040) is available for this purpose and may be obtained from the Department of Revenue by writing P.O. Box 3545, Springfield, Illinois 62708, or by calling 312-641-2150 in Chicago, or 217-782-3336 elsewhere in Illinois.

J. Thomas Johnson
Director of Revenue

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