

Illinois Department of Revenue  
101 West Jefferson Street  
Springfield, Illinois 62708

INFORMATIONAL BULLETIN FY86-40

TO: Tax Practitioners

SUBJECT: Calculation of Penalty and Interest on 1985 IL-1040's, IL-1120's, IL1041's, IL990-T's, IL-1120ST's, and IL-1065's

Penalty for Late Filing (Sec. 1001), Penalty for Underpayment of Estimated Tax (Sec. 804), Penalty for Underpayment of Tax (Sec. 1005)

If you have seen the 1985 IL-1040 (individual income tax return), you may be aware that we have omitted the separate line on which to enter penalty and interest amounts. The instructions for the return tell taxpayers that they should not include penalty and interest as part of any tax liability they owe, but that we will calculate the correct amount of penalty and interest (if appropriate) and bill them accordingly.

However, it has come to our attention that you, as a practitioner, may prefer to calculate and include penalty and interest amounts on a client's original return if you know at the time of filing that your client owes such amounts. You may, of course, do this if you would like to. Simply add any penalty and interest to the balance and how much is interest. If your client owes a penalty for underpayment of estimated tax (or avoids the penalty by meeting one of the exceptions), please also complete and attach Form IL-2210.

You may follow the same approach for your business clients except that if they owe penalty for underpayment of estimated tax, you should complete and attach Form IL-2220 instead of Form IL-2210 to their returns (IL-1120 or IL-990-T).

If you have questions or need more information, please call or write. Our address and telephone numbers are at the top of this bulletin.

J. Thomas Johnson  
Director of Revenue

Issued: January 1986

•