



# Publication 111

March 2019

## *Illinois Schedule CR for Individuals*

The information in this publication is current as of the date of the publication. Please visit our website at [tax.illinois.gov](http://tax.illinois.gov) to verify you have the most current revision.

This publication is written in the plain English style so the tax information is easier to understand. As a result, we do not directly quote Illinois statutes and the Illinois Administrative Code. The contents of this publication are informational only and do not take the place of statutes, rules, and court decisions. For many topics covered in this publication, we have provided a reference to the applicable section or part of the Illinois Administrative Code for further clarification or more detail. All of the sections and parts referenced can be found in Title 86 of the Illinois Administrative Code.

### ***About this publication***

Publication 111, Illinois Schedule CR for Individuals, provides guidance on how to complete Schedule CR, Credit for Tax Paid to Other States.

The objectives of Publication 111 are to

- provide additional guidance for taxpayers completing Schedule CR for both current and prior tax years.
- provide specific examples to help part-year residents complete Schedule CR.
- further clarify Illinois' rules and regulations with regard to double-taxed income.
- identify the additions and subtractions used in computing double-taxed income and the amount of tax that qualifies for the credit.
- identify the required attachments to Illinois Schedule CR when claiming this credit.

### ***Taxpayer Bill of Rights***

You have the right to call the Department of Revenue for help in resolving tax problems.

You have the right to privacy and confidentiality under most tax laws.

You have the right to respond, within specified time periods, to Department notices by asking questions, paying the amount due, or providing proof to refute the Department's findings.

You have the right to appeal Department decisions, in many instances, within specified time periods, by asking for Department review, by filing a petition with the Illinois Independent Tax Tribunal, or by filing a complaint in circuit court.

If you have overpaid your taxes, you have the right, within specified time periods, to a credit (or, in some cases, a refund) of that overpayment.

For more information about these rights and other Department procedures, you may write us at the following address:

Problems Resolution Division  
Illinois Department of Revenue  
PO Box 19014  
Springfield, IL 62794-9014

**Get forms and other information faster and easier at [tax.illinois.gov](http://tax.illinois.gov)**

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## General Information

### What is the definition of “state”?

For purposes of this publication, “state” means any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any political subdivision of any of these (e.g., county, city). The term “state” **does not** refer to any foreign country or political subdivision of a foreign country.

## For tax years 2009 and after -

### How do I figure the amounts to enter in Column A, Steps 2 and 3 for tax years 2009 and after?

It depends upon where you lived during the tax year. If you were

- an Illinois resident for the entire tax year, Column A will be the amounts you reported on the corresponding lines of your federal income tax return or your Form IL-1040.
- a part-year resident of Illinois during the tax year, Column A will be the amounts you reported on the corresponding line of your federal income tax return or your Form IL-1040, excluding any amount you earned or paid while you were not an Illinois resident.

**Note** → See the example that follows.

### How do I figure the amounts to enter in Column B, Steps 2 and 3 for tax years 2009 and after?

If you were

- an Illinois resident for the entire tax year, follow the Schedule CR Instructions for each line to determine the amount to write in Column B.
- a part-year resident of Illinois during the tax year, apply the specific instructions for each line to the amount in Column A. Do not include any amount from the period while you were a nonresident of Illinois.

**Note** → See the examples that follow.

### How do I figure the amount of other states' taxes to enter in Step 6 for tax years 2009 and after?

Follow the Schedule CR Instructions. If you need further guidance, see the "Comparison Formulas for Schedule CR" found on our website for a list of formulas that identify the tax forms, line numbers, additions, and subtractions that you must use to compute the other states' tax.

### What must I attach to my Schedule CR for tax years 2009 and after?

For tax years 2009 and after, you do not need to attach anything to your Schedule CR. Keep your out-of-state returns and any Schedules K-1-P and K-1-T with your records. You must send us this information if we request it.

## Examples for tax years 2009 and after

### Part-Year Resident Example for Line 1, Column A

You and your spouse moved to Illinois from Indiana at the beginning of April. You worked in Indiana the entire year, earning \$30,000 evenly throughout the year. Your spouse worked in Indiana the entire year, earning \$24,000 evenly throughout the year.

To figure the amount for Schedule CR, Line 1, Column A use the following calculations:

30,000	Your total wages for the year
- 7,500	Wages earned while an Indiana resident
<b>= 22,500</b>	<b>Your wages earned as an Illinois resident</b>

24,000	Your spouse's total wages for the year
- 6,000	Wages earned while an Indiana resident
<b>= 18,000</b>	<b>Your spouse's wages earned as an Illinois resident</b>

**Note** → Follow this formula, using the applicable figures, for each line in Column A.

Your Schedule CR, Line 1, Column A consists of

22,500	Your wages earned as an Illinois resident
+ 18,000	Your spouse's wages earned as an Illinois resident
<b>= 40,500</b>	<b>Schedule CR, Line 1, Column A</b>

## Examples for tax years 2009 and after (continued)

### Part-Year Resident Example for Line 1, Column B

This example uses the same information as the example for Line 1, Column A.

To figure the amount for Schedule CR, Line 1, Column B use the following calculation:

22,500	Your wages earned outside Illinois while an Illinois resident
+ 18,000	Your spouse's wages earned outside Illinois while an Illinois resident
<hr/>	
= 40,500	<b>Schedule CR, Line 1, Column B</b>

### Part-Year Resident Example for Line 2, Columns A and B

This example uses the same information as the example for Line 1, Column A, adding \$4,000 in nonbusiness interest earned evenly throughout the year.

#### Line 2, Column A = 3,000

Explanation: The nonbusiness interest earned from April through December while you were an Illinois resident totals \$3,000.

**Note** → This is also the amount shown on the equivalent line (Line 6) of Column B of your Schedule NR.

#### Line 2, Column B = 0

Explanation: Since the \$3,000 nonbusiness interest in Column A is allocated to Illinois, your state of residence, you should not include it in the Column B non-Illinois portion.

## For tax years 2008 and earlier -

**Note** → Previously, many taxpayers figured their Illinois credit for tax paid to other states by completing Illinois Schedule CR and entering base income and tax from their other states' income tax returns. However, many taxpayers did not take into account that the base income and tax from the other states' returns were not comparable to the base income and tax on their Illinois return.

We created this publication to assist you with calculations to use to compute double-taxed income and tax, and help you claim the correct credit.

**Note** → The comparison formulas for computing double-taxed income and tax are continually being updated as states make changes to their tax forms. The most current information is available at our website [tax.illinois.gov](http://tax.illinois.gov).

### **How do I figure the amount of double-taxed income to enter in Column B for tax years 2008 and earlier?**

Figure the double-taxed income by applying the following rules:

- An item of income is double-taxed only to the extent that both Illinois and the other state or taxing jurisdiction include it as income.

*For example*, if the other state allows you to deduct 60 percent of a long-term capital gain, only 40 percent of the capital gain is double-taxed although Illinois taxes 100 percent of the capital gain.

Also, Social Security benefits can never be included in double-taxed income because Illinois does not tax this type of income.

- An expense is subtracted in figuring double-taxed income only to the extent it is deducted when figuring both Illinois base income and the taxable income of the other state.

*For example*, do not take a deduction for federal income tax paid or for federal itemized deductions, even if the other state allows those deductions, because Illinois does not.

- Standard deductions and general exemptions are never subtracted when figuring double-taxed income.
- Some states determine income by first figuring income as if the person were a resident of that state and then
  - multiplying the income or the resulting tax by a fraction equal to the percentage of income from sources in that state; **or**
  - allowing a credit equal to the tax imposed on a resident times a fraction equal to the percentage of income from sources outside the state.

Double-taxed income for any of these states is calculated by first figuring income according to the rules above, and then multiplying that income by a fraction equal to the percentage of income from sources in that state, figured in the manner prescribed by that state's laws.

- If a state imposes an alternative minimum tax, the determination of double-taxed income is made using alternative minimum taxable income of the state only if you actually pay alternative minimum tax. Otherwise, use the regular taxable income.

### **How do I figure the amount of other states' taxes to enter in Column C for tax years 2008 and earlier?**

Figure the amount of tax you paid to the other state by starting with the tax paid to the other state on the double-taxed income and subtracting all credits allowed, except credits for payments you actually made to the other state or payments made on your behalf. *For example*, you must reduce the amount of tax paid to the other state by any credit allowed by that state for taxes you paid to Illinois.

**Note** → You must prorate your tax paid to the other state if the double-taxed income is less than the total income on which you paid tax to the other state. For more information refer to Illinois Schedule CR Instructions.

### **What must I attach to my Schedule CR for tax years 2008 and earlier?**

For tax years 2008 and earlier, you must attach copies of the tax return(s) you filed with the other state(s). The comparison formula chart specifically identifies the forms you must attach to your Illinois Schedule CR for each state in which you paid tax. However, if the other state (typically a city or county) imposes an earnings tax and does not require you to file a tax return, you must attach a copy of your Form W-2, Wage and Tax Statement, showing taxes paid.

If you are a member of a partnership or S corporation that pays tax for you in another state, attach a copy of the letter or statement (not the federal Schedule K-1) you received from them. The letter must include the partnership or S corporation name and FEIN number, the income, and the tax paid on your behalf.

## Office Locations

Maine North Regional Building  
9511 Harrison Street FA 203  
Des Plaines, Illinois 60016-1563  
847 294-4200

200 South Wyman Street  
Rockford, Illinois 61101-1237  
815 987-5210

James R. Thompson Center  
Concourse Level  
100 West Randolph Street  
Chicago, Illinois 60601-3274  
800 732-8866  
217 782-3336

Willard Ice Building  
101 West Jefferson  
Springfield, Illinois 62702  
800 732-8866  
217 782-3336

15 Executive Drive  
Business Center One, Suite 2  
Fairview Heights, Illinois 62208-1331  
618 624-6773

2309 W. Main  
Suite 114  
Marion, Illinois 62959-1196  
618 993-7650

### For Information or Forms

Visit our website at [tax.illinois.gov](http://tax.illinois.gov).

Call us at **1 800 732-8866** or **217 782-3336**.

Call our TDD (telecommunications device for the deaf) at **1 800 544-5304**.

Write us at Illinois Department of Revenue, PO Box 19001, Springfield, IL 62794-9001.