

ILLINOIS DEPARTMENT OF REVENUE
TAX PRACTITIONERS MEETING
OCTOBER 28, 2016*
***Updated December 28, 2016**

Upcoming Changes for Business Income Tax Returns and Payments

IL-1120-ES and 2220 – The estimated tax payment calculation was updated to more accurately determine if estimated payments are required, and if they are required, the amount of each quarterly estimated payment. The instructions regarding Illinois gambling withholding usage was also updated. In the past, the instructions said to distribute the gambling withholding evenly across all 4 quarters. The new business instructions say to use the withholding in the quarter in which they were received, and each subsequent quarter. This is similar to how pass-through withholding is used when determining the amount of estimated payments required by businesses. Finally, we will be discontinuing the mailing of IL-1120-ES's with preprinted taxpayer information. The IL-1120-ES is available for download on our website as a pdf, and is also available as an application for scheduling and making payments on MyTax Illinois.

IL-516 workbook – When determining the pass-through entities own voluntary prepayment in Step 6 we included recapture of investment credit, Illinois gambling withholding, and pass-through withholding in the calculation.

Original and Amended forms – Signature step revised to request a paid preparers PTIN only.

Schedule B and Schedule D – Totals for nonresident individuals and nonresident [estates](#) split apart in Section A. Previously these amounts were combined together on a single line.

Schedule M – Interest from Export Development Act Bonds and College Savings Bonds added as valid subtractions.

Schedules K-1-P(1), K-1-T(1) K-1-P(3), and K-1-T(3) – Added instruction to allow for August 1, 1969, appreciation amounts to be included in the calculation of pass-through withholding required. K-1-P, K-1-P(1), K-1-P(2), Step 7, revised due to expired income tax credits.

Income Tax Credits – For Businesses -

- **River Edge Redevelopment Zone Investment Credit** – expired for tax years beginning on or after July 12, 2016 – remains on BIT Schedules 1299-A and 1299-D this year
- **Tax Credit for Affordable Housing Donations** – [remains on BIT Schedules 1299-A and 1299-D this year for annual, fiscal, and short year filers](#)
 - [The sunset date for the Tax Credit for Affordable Housing Donations Credit was extended by P.A. 99-0915.](#)
- **Research and Development Credit** - expired for tax years ending after December 31, 2015 - **removed** from the Schedule 1299-A and 1299-D this year

- **River Edge Redevelopment Zone Remediation Credit** - expired for tax years beginning on or after July 12, 2016 – taxpayers cannot claim new credit or credit sold or donated to them if their tax year begins on or after July 12, 2016 - remains on BIT Schedule 1299-D this year.
- **Veterans Jobs Credit** - expired for tax years ending after December 31, 2016 – remains on BIT Schedules 1299-A and 1299-D this year
- **Angel Investment Credit** - expired for tax years ending after December 31, 2016 – remains on BIT Schedules 1299-A and 1299-D this year
- **River Edge Historic Preservation Credit** - [remains on BIT Schedules 1299-A and 1299-D this year for annual, fiscal, and short year filers](#)
 - The River Edge Historic Preservation Credit was incorrectly identified in last year’s Schedule 1299-A, 1299-D, and instructions as expiring for tax years beginning on or after July 28, 2016. If a taxpayer was a short-year filer using the 2015 return and did not claim the River Edge Historic Preservation Credit because their tax year began on or after July 28, 2016, they may amend that return to claim the credit.
 - [The sunset date for the River Edge Historic Preservation Credit was extended by P.A. 99-0914.](#)
- **Live Theater Production Tax Credit** - expired for tax years beginning on or after June 1, 2017 – remains on BIT Schedules 1299-A and 1299-D this year
- **Hospital Credit** - expired for tax years beginning on or after June 14, 2017 – taxpayers cannot claim new credit or credit sold or donated to them if their tax year begins on or after June 14, 2017, they may still claim credits passed through on Schedule K-1-P - remains on BIT Schedules 1299-A and 1299-D this year
- **Historic Preservation Credit** - expired for tax years ending after December 31, 2015 - **removed** from the Schedule 1299-A and 1299-D this year

Due dates –

- **Original due date changes –**
 - IL-1120 original due date changes for C corporations with tax years beginning on or after January 1, 2016, **only** – Taxpayers with a tax year ending of June 30th will be due the 15th day of the 3rd month following the close of the tax year. All other IL-1120 tax year endings will be due on the 15th day of the 4th month following the close of the tax year.
 - Cooperatives remain due on the 15th day of the 9th month following the close of the tax year regardless of when the tax year ends.
 - No other original due date changes to S corporations, partnerships, trust/estates, or exempt organizations.
- **Extended due dates** – see [86 Ill. Admin. Code Section 100.5020](#) – Concerning automatic extensions *“The Department will grant an automatic extension of 6 months to taxpayers whose returns are due on the fifteenth day of the fourth month after the end of the taxable year and 7 months for all other taxpayers to file any Illinois income tax return except returns due under Article 7 of the IITA.”*

This information is subject to change. Please check our website for updates.