

STATE OF ILLINOIS



DEPARTMENT OF REVENUE



POWER OF ATTORNEY PROJECT



POWER OF ATTORNEY PROJECT:

IL-2848 REVISIONS

IL-2848 Step 2 Identify authorized agent or fiduciary



Step 2: Identify the authorized agent or fiduciary executing this form - *Signature required in Step 6*

Complete the following if the taxpayer is a corporation, partnership, trust, or estate (*i.e.*, not an individual taxpayer) or if someone other than the taxpayer is authorizing the power of attorney and the taxpayer is an individual. If you are not the taxpayer and you already have been designated by the courts as power of attorney, do not complete this form. Instead complete Form IL-56, Notice of Fiduciary Relationship. See instructions for who can execute this form.

Name*

Title*

Street address*

()

Daytime phone number*

City*

State*

ZIP*

Email address

- NEW to the Form
- Designed for authorized agents of business entities or fiduciary appointing the power of attorney.

IMPORTANT: For corporations, partnerships, or limited liability companies, the authorized agent **MUST** be an owner, officer, partner, manager or member registered with the Department. You can submit a REG-1-O with the IL-2848 to ensure the correct information is on file with the Department and prevent a rejected Power of Attorney.

IL-2848 Step 3 Representative(s) Information

Moved the location of the check boxes. Now separate from perjury statement.

Added request for identification number of representative. Attorneys can use their License Number. CPAs and enrolled agents can use their PTIN.

Authorization for notices added to representative information section as a checkbox.

Perjury statement added to representative information section. If the representative is an attorney, CPA, or enrolled agent, they must sign, date, print name and list their jurisdiction.

The taxpayer named above appoints the following representative as attorney-in-fact:

<p>Name of individual* Check one: (if applicable) <input type="checkbox"/> Attorney <input type="checkbox"/> CPA <input type="checkbox"/> Enrolled agent</p>	<p>Name of individual* Check one: (if applicable) <input type="checkbox"/> Attorney <input type="checkbox"/> CPA <input type="checkbox"/> Enrolled agent</p>
<p>Name of firm, if applicable</p>	<p>Name of firm, if applicable</p>
<p>Identification number (Attorney License No., PTIN, FEIN, or SSN)* - See instr.</p>	<p>Identification number (Attorney License No., PTIN, FEIN, or SSN)* - See instr.</p>
<p>Street address*</p>	<p>Street address*</p>
<p>City* State* ZIP*</p>	<p>City* State* ZIP*</p>
<p>() ()</p>	<p>() ()</p>
<p>Daytime phone number* Fax number</p>	<p>Daytime phone number* Fax number</p>
<p>Email address</p>	<p>Email address</p>
<p><input type="checkbox"/> Check this box if you want to authorize the Department to send duplicate copies of notices to the representative listed above.</p>	<p><input type="checkbox"/> Check this box if you want to authorize the Department to send duplicate copies of notices to the representative listed above.</p>
<p>Complete the following if a box above is checked to indicate that the representative is an attorney, CPA, or enrolled agent</p>	
<p>I declare that I am not currently under suspension or disbarment and that I am</p>	
<ul style="list-style-type: none">• a member in good standing of the bar of the highest court of the jurisdiction indicated below; or• duly qualified to practice as a certified public accountant in the jurisdiction indicated below; or• enrolled as an agent pursuant to the requirements of United States Treasury Department Circular Number 230.	
<p>Signature of representative</p>	<p>Signature of representative</p>
<p>Date</p>	<p>Date</p>
<p>Print name</p>	<p>Print name</p>
<p>Jurisdiction (state(s), etc.)</p>	<p>Jurisdiction (state(s), etc.)</p>

IL-2848 Step 4 Revocation

Step 4: Revocation of power of attorney appointments

This power of attorney revokes all powers of attorney on file with the Illinois Department of Revenue with respect to the same matters and years or periods covered. If you do not want to revoke prior powers of attorney, check this box:

- Changed do not revoke section to a check box. Does NOT require copies of previous power of attorneys to be attached. We recommend you check this box if you do not want to inadvertently revoke a previous submission.

IL-2848 Step 5 Tax Matters

Step 5: Identify the tax matters and the type of appointment — *Designate the Tax Matters to which the power of attorney applies and the Type of Appointment*

Tax Matters

Tax Type/Tax Form(s) or Notices*

Tax Year(s) or Filing Period(s)*

Tax Type/Tax Form(s) or Notices

Tax Year(s) or Filing Period(s)

Tax Type/Tax Form(s) or Notices

Tax Year(s) or Filing Period(s)

IMPORTANT: Tax Year(s) or Filing Period(s) line must be completed and defined. We will accept "ALL" and in a few cases "N/A".

Perpetual, current or other undefined periods **will not** be allowed.

- Added 3 lines for tax matters to allow for multiple tax matters to be covered on one Power of Attorney.
- Allows for more than just "Tax Type" to be listed.

IL-2848 Step 5 Type of Appointment

- Changed from allowing full authority and requiring limits, to allowing taxpayer to determine what authority to give. Pick ONE General or Specific.

General gives FULL powers.

Type of Appointment — Check either General or Specific Appointment. Do not check both boxes. See instructions.

General Appointment

The attorneys-in-fact named above shall have, subject to revocation, full power of attorney to perform any act that the principals can and may perform, including the authority to receive and discuss confidential information for the tax matters listed above.

Specific Appointment

The attorneys-in-fact named above shall have, subject to revocation, power of attorney to receive and discuss with the Illinois Department of Revenue confidential information for the tax matters listed above and to perform only those additional acts that the principals can and may perform designated below. (Check the following, as applicable.)

- Yes Endorse or collect checks in payment of refunds.
- Yes Receive checks in payment of any refund of Illinois taxes, penalties, or interest.
- Yes Execute waivers (including offers of waivers) of restrictions on assessment or collection of deficiencies in tax and waivers of notice of disallowance of a claim for credit or refund.
- Yes Execute consents extending the statutory period for assessments or collection of taxes.
- Yes Delegate authority or substitute another representative.
- Yes Execute offers in compromise or settlement of tax liability.
- Yes Represent the taxpayer before the Illinois Department of Revenue in administrative hearings or the Illinois Independent Tax Tribunal (requiring representation by an attorney).
- Yes Represent the taxpayer before the Illinois Department of Revenue in proceedings other than administrative hearings, such as proceedings before the Informal Conference Board or the Board of Appeals.
- Yes Obtain a private letter ruling on behalf of the taxpayer.
- Yes Other (Please describe.) _____

Specific gives power to receive and discuss confidential information and other powers as designated.

IL-2848 Step 6 Signature

Step 6: Signature (Required) - This form must be signed by the taxpayer listed in Step 1 or the individual listed in Step 2.

If signing as a corporate officer, partner, fiduciary, or individual on behalf of the taxpayer, I certify that I have the authority to execute this power of attorney on behalf of the taxpayer.

Taxpayer's Signature*	Print name*	Title, if applicable	Date*
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Spouse's signature (required if spouse is listed in Step 1)	Print name	Date
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Complete the following if any representative listed in Step 3 is a person other than an attorney, a certified public accountant, or an enrolled agent.

If the power of attorney is granted to a person other than an attorney, a certified public accountant, or an enrolled agent, this document must be witnessed or notarized below. Please check and complete one of the following:

Any person signing as or for the taxpayer

is known to and this document is signed in the presence of the two disinterested witnesses whose signatures appear here, **OR**

Signature of witness	Date
----------------------	------

Signature of witness	Date
----------------------	------

appeared this day before a notary public and acknowledged this power of attorney as his or her voluntary act and deed.

Signature of notary	Date
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Notary seal



Only one line for Taxpayer Signature vs. one for individual and one for business.

IMPORTANT: For certain business entities, individual signing must be listed in Step 2 AND must be an owner, officer, partner, manager or member **registered with the Department.**

If ANY representative listed is NOT an attorney, CPA, or enrolled agent, then the **taxpayer's signature MUST be witnessed** by two disinterested witnesses or by a notary public.



POWER OF ATTORNEY PROJECT:

UPDATE TO ESTABLISHED THIRD-
PARTY DESIGNEE

Third Party Designee Expiration

A Third-Party Designee established on the income tax return (Individual, Business, and Withholding) will allow representatives to answer any questions that arise during the processing of their client's return, call us with questions about their clients return, and receive or respond to notices we send.

- A third-party designee will no longer expire.
- This will increase a representative's ability to work with the Department on routine tax issues.
- This change is retroactive and will be applicable to previously filed returns.
- This will decrease the requirement for the IL-2848 to be filed.

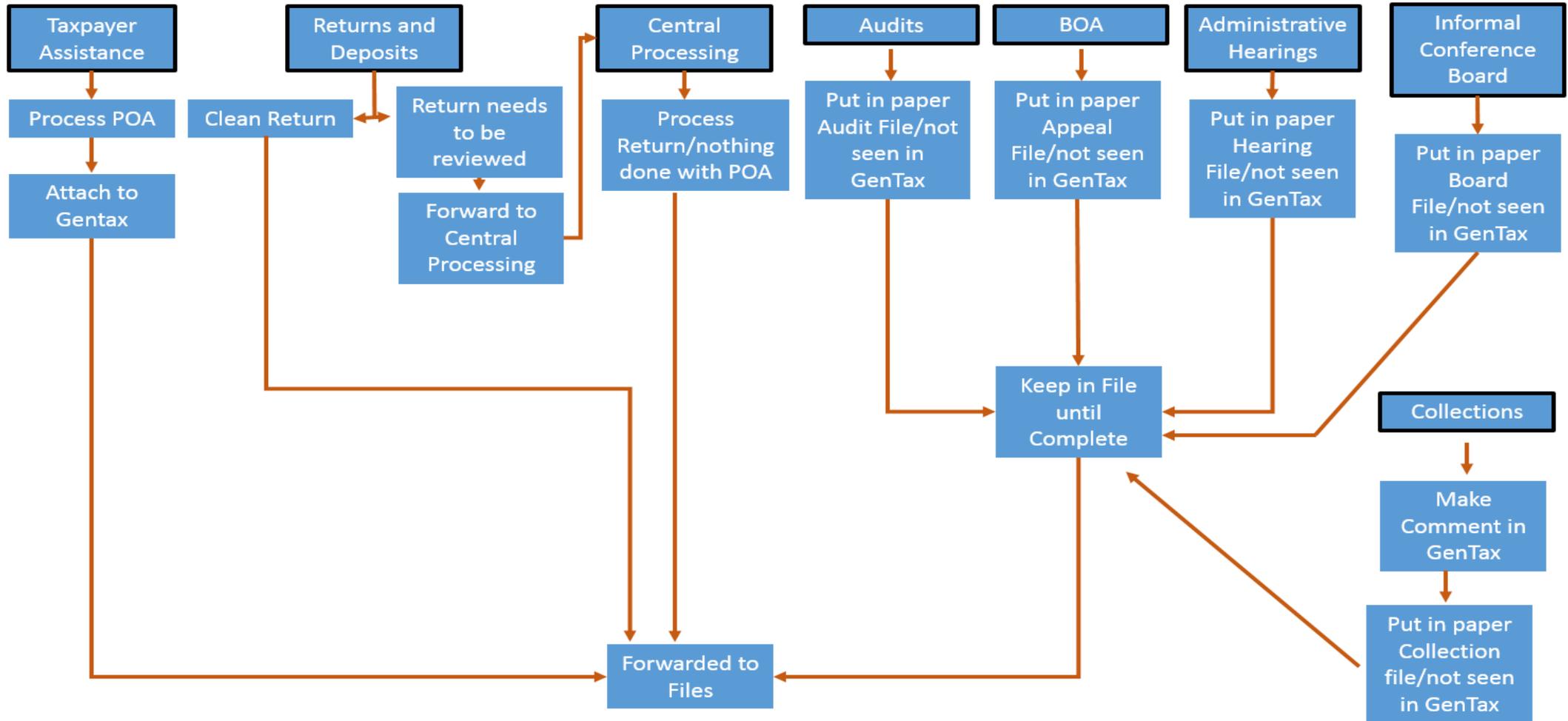


POWER OF ATTORNEY PROJECT:

CENTRALIZED PROCESSING

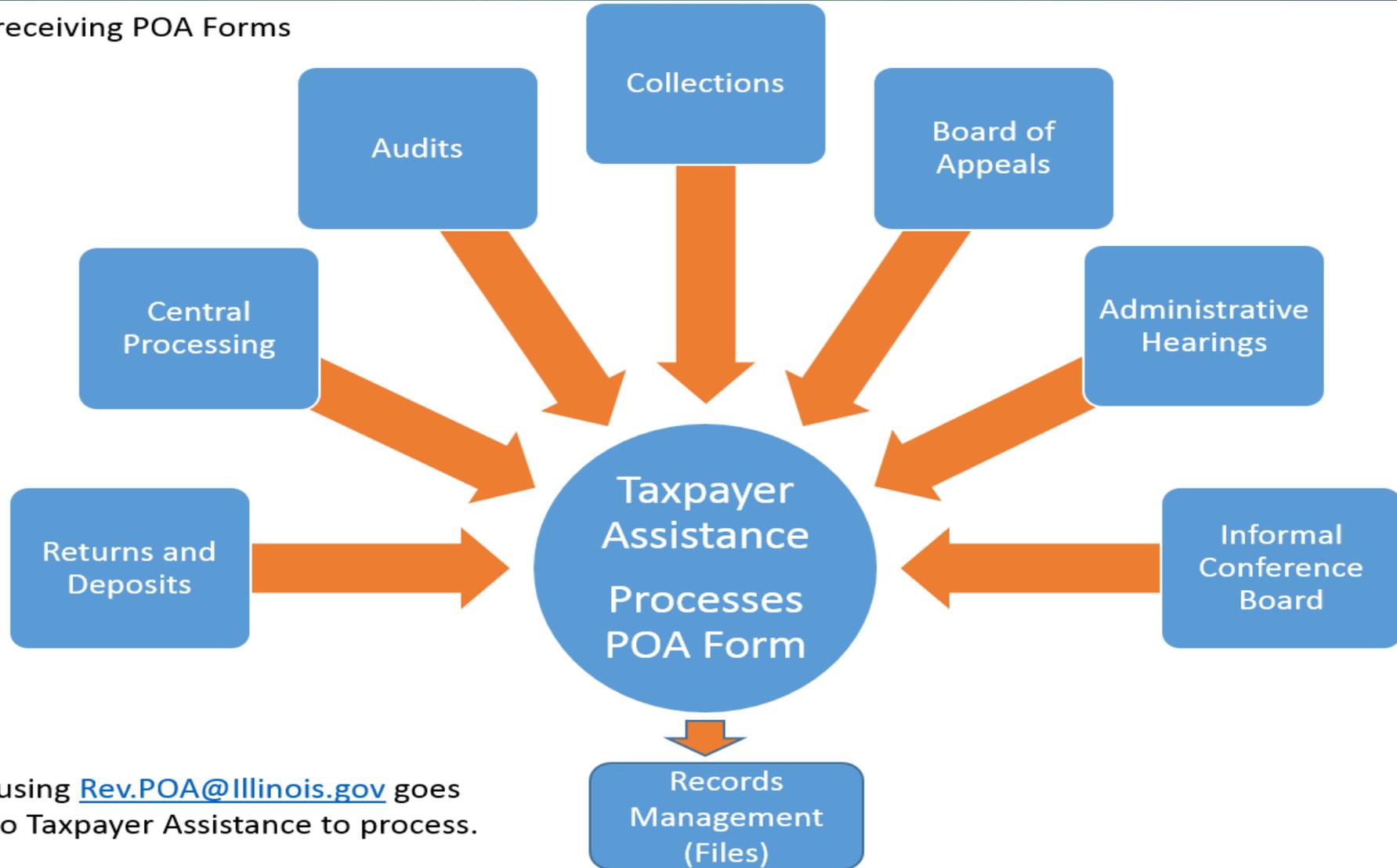
Previous Process

Old way of receiving POA Forms



Updated Process

New way of receiving POA Forms



NOTE: If using Rev.POA@Illinois.gov goes Directly to Taxpayer Assistance to process.

How to submit Form IL-2848

- It is no longer recommended that IL-2848 Forms be attached to your tax return
- The most effective way to submit the IL-2848 Form is via email to REV.POA@Illinois.gov or via fax to 217-782-4217
- Each IL-2848 should be submitted separately and faxes do not need a cover page
- These requests will be processed within three business days
- IL-2848 Forms may also be mailed to:
 - Illinois Department of Revenue
 - Power of Attorney Form 3-252
 - PO Box 19001
 - Springfield, IL 62794-9001

Email vs. Paper Power of Attorney Process

EMAIL	PAPER
Received directly by processing area (instantaneous)	Received by mailroom and routed (5-10 business days)
Processing request in one business day	Processing requests in three business days
Requestor will receive confirmation of approval or denial	Requestor will only receive confirmation of denial
Communication for corrections are easy and convenient via email	Communication for corrections are dependent on availability of representative
Representative can submit at their convenience only if needed	Representatives must submit in advance to ensure it is available if needed
On average requires 38 man hours per month	On average required 86 man hours* per month

***Note: Man hours are based on processing form and does not include amount of time routing and opening mailed documents or contacting representatives for corrections.**



POWER OF ATTORNEY PROJECT:

FUTURE POWER OF ATTORNEY PROJECTS

Electronic Request Option

- Research and development will begin in 2018
- This option will be available in MyTax Illinois
- This option may require Form IL-2848 to be attached to request

Automatic Notices to Representatives

- Research is in progress
- Development may be dependent on the electronic request option
- Illinois Department of Revenue is looking into utilizing options developed by Illinois Department of Employment Security

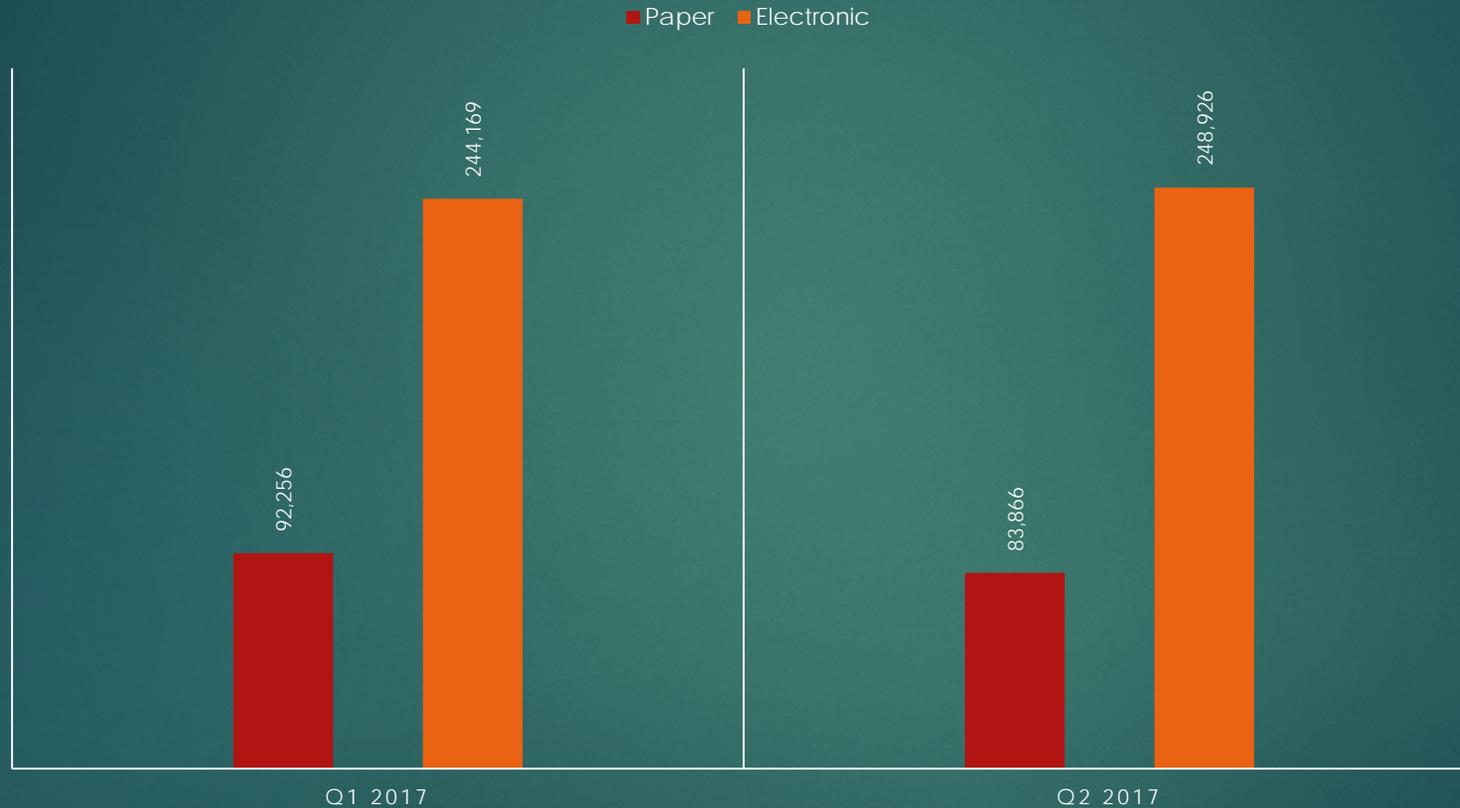
Recent Legislation

- Annual Renewal of Certificate of Registration for Sales Tax
P.A. 100-0302 Effective August 24, 2017
- SSNs no longer required for officers of publicly traded corporations on applications for certificate of registration
P.A. 100-0303 Effective August 24, 2017
- Rental Purchase Agreement Occupation and Use Tax Act
P.A. 100-0437 Effective January 1, 2018
- Federal Aviation Administration policy amendment



WITHHOLDING INCOME TAX UPDATE

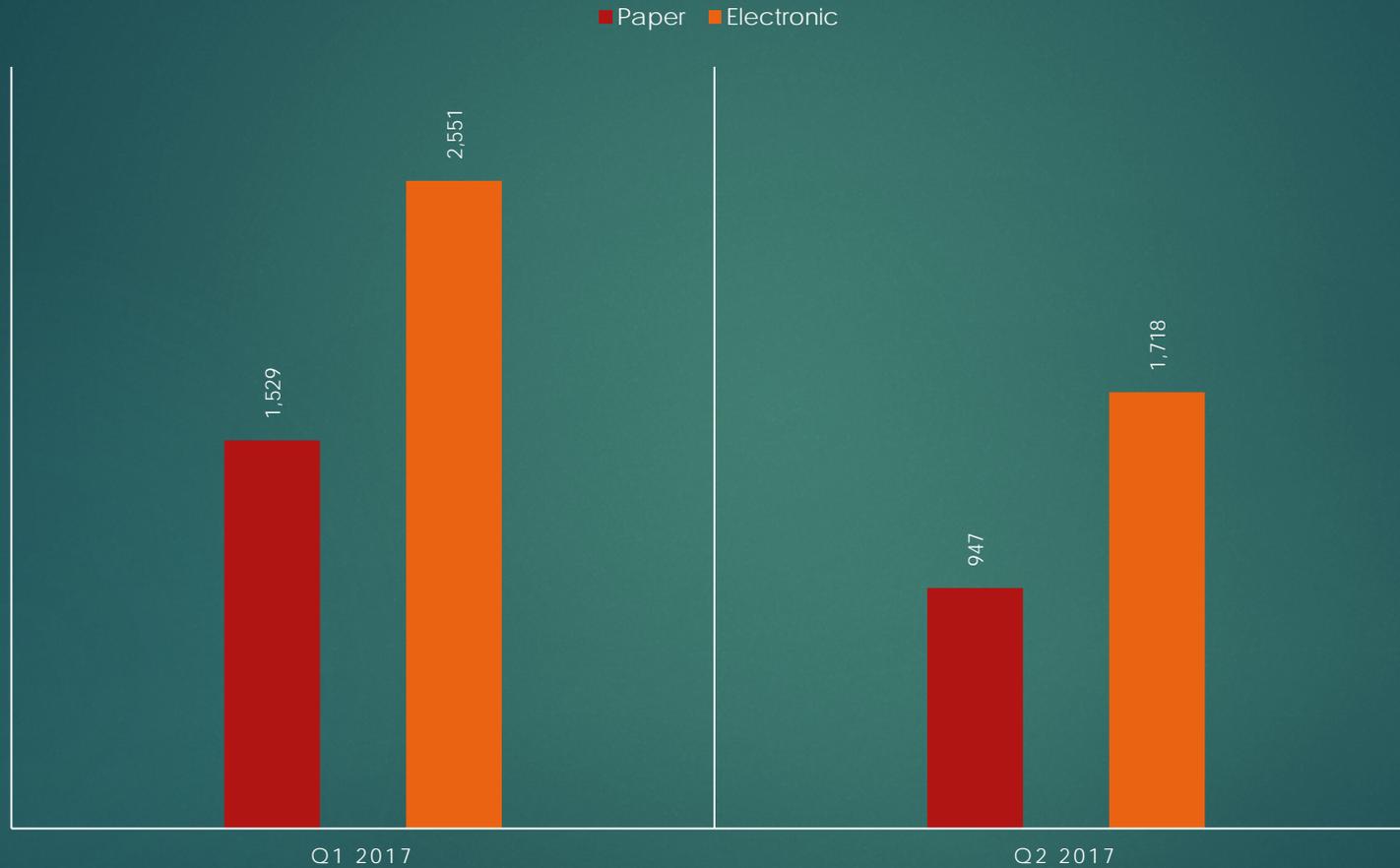
2017 IL-941 Filing Statistics



	Q1 2017	Q2 2017
Paper	92,256	83,866
Electronic	244,169	248,926

Received as of 10/1/17

2017 IL-941-X Filing Statistics



	Q1 2017	Q2 2017
Paper	1,529	947
Electronic	2,551	1,718

Received as of 10/1/17

2018 Withholding Legislative and Rule Changes

- Public Act 100-303
 - Provided IDOR the authority to require, by rule, that any return (including any amended return) and any W-2 Form be filed electronically.
 - Provided IDOR the authority to prescribe the due date for submission of W-2 Forms by rule.
- Starting with the first quarter 2018 filing period (due April 30th, 2018), all IL-941 returns are required to be filed electronically.
- Starting with W-2s due in 2018, copies of W-2s shall be filed no later than January 31st of the year following the year of the withholding. (i.e., 2017 W-2s are due January 31, 2018)
- Starting with W-2s due in 2018, copies of W-2s are required to be filed electronically.

Note: A Waiver Process Will Be In Effect For Those Unable To File Electronically

2018 Withholding Form Changes

- 2018 Schedule P- Payroll Records Support For IL-941-X
 - Paper copy-Available on www.tax.illinois.gov
 - MyTax- Manual entry and file upload
- IL-900-EW- Electronic Filing Waiver Request For Illinois Withholding Income Tax

Future of Withholding Income Tax

- As of September 13, 2017 we began sending refunds of IDOR-approved credits created from IL-941-X's that had requested refunds and will continue issuing refunds of IDOR-approved credits from the IL-941-X going forward
- Based upon fund availability, we are planning to begin issuing refunds in June, 2018, to taxpayers that have remaining IDOR-approved credits on their Illinois withholding account
 - Taxpayers are encouraged to use any IDOR-approved credits towards their 1st quarter 2018 Form IL-941
- Validating credits electronically via MyTax – Misapplied payments and IL-941-X

2017 Withholding Income Tax Refund Statistics

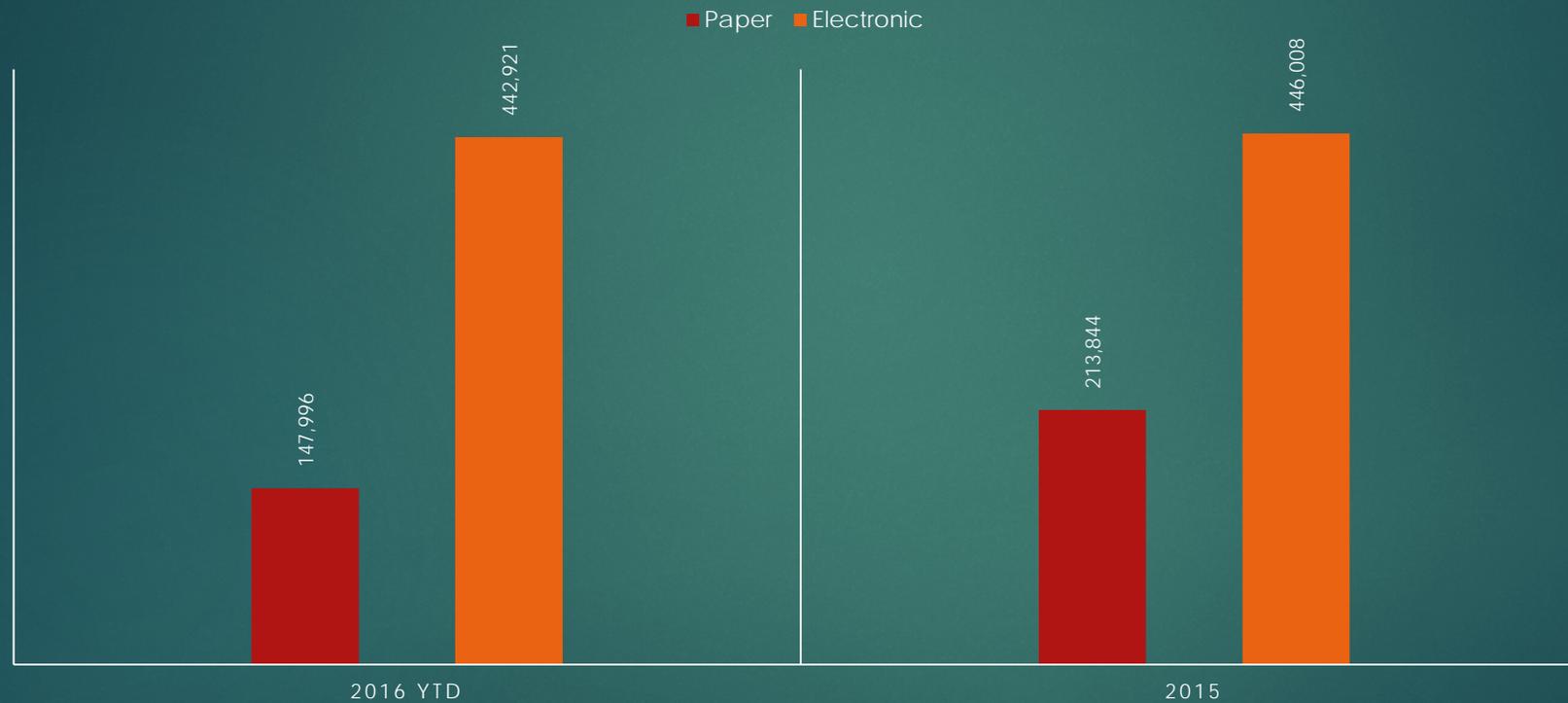
- Since January 1st, 2017, the Department has issued 1,441 refunds for \$4,402,969.24.



BUSINESS INCOME TAX UPDATE

2017 Business Income Tax Filing Statistics

2016 VS 2015 BIT RETURN FILING STATISTICS



	2016 YTD	2015
Paper	147,996	213,844
Electronic	442,921	446,008

Received as of 10/1/17

2017 Business Income Tax Refund Statistics

- Since January 1st, 2017 the Department has issued 50,596 refunds for \$455,245,395.83.

2018 Legislative and Rule Changes

- Income Tax Rate Increase (effective July 1, 2017)
 - For corporations (excluding S corporations) - 5.25% to 7%
 - For individuals, trusts and estates – 3.75% to 4.95%
- Non-Combination Ruling
- R&D Credit Extended
- River Edge Historic Preservation Credit Extended
- Live Theater Production Credit Extended
- Angel Investment Credit

2018 Business Income Tax Form Changes

- Schedule SA-Tax Rate Increase for Income Tax
- Schedule IL-2220- Tax Rate Increase
- IL-1120, IL-1120 ST, IL-1065- Boxes added for apportionment formula, Subgroup Schedule, and PL 86-272
- Schedule M
 - Additions- Income attributable to domestic production activities under IRC Section 199
 - Unused patronage or non-patronage loss from Schedule INL
- 1299-D and 1299-A- Due to Extensions
 - R&D Credit
 - River Edge Historic Preservation Credit
 - Live Theater Production Credit
 - Angel Investment Credit

2018 Business Income Tax Form Changes (Cont'd)

- Schedule UB- PL 86-272 column in Step 1 Sec A and Step 5 Column C eliminated non-combination rule
- Schedule UB Instructions- Non-combination and negatives not allowed in apportionment
- Subgroup Schedule- New
- Schedule UB/NLD Instructions- Non-combination rule
- Schedule UB/INS and Instructions- Non-combination rule
- Schedule 80/20- Eliminated Lines 9-18 because of the non-combination rule

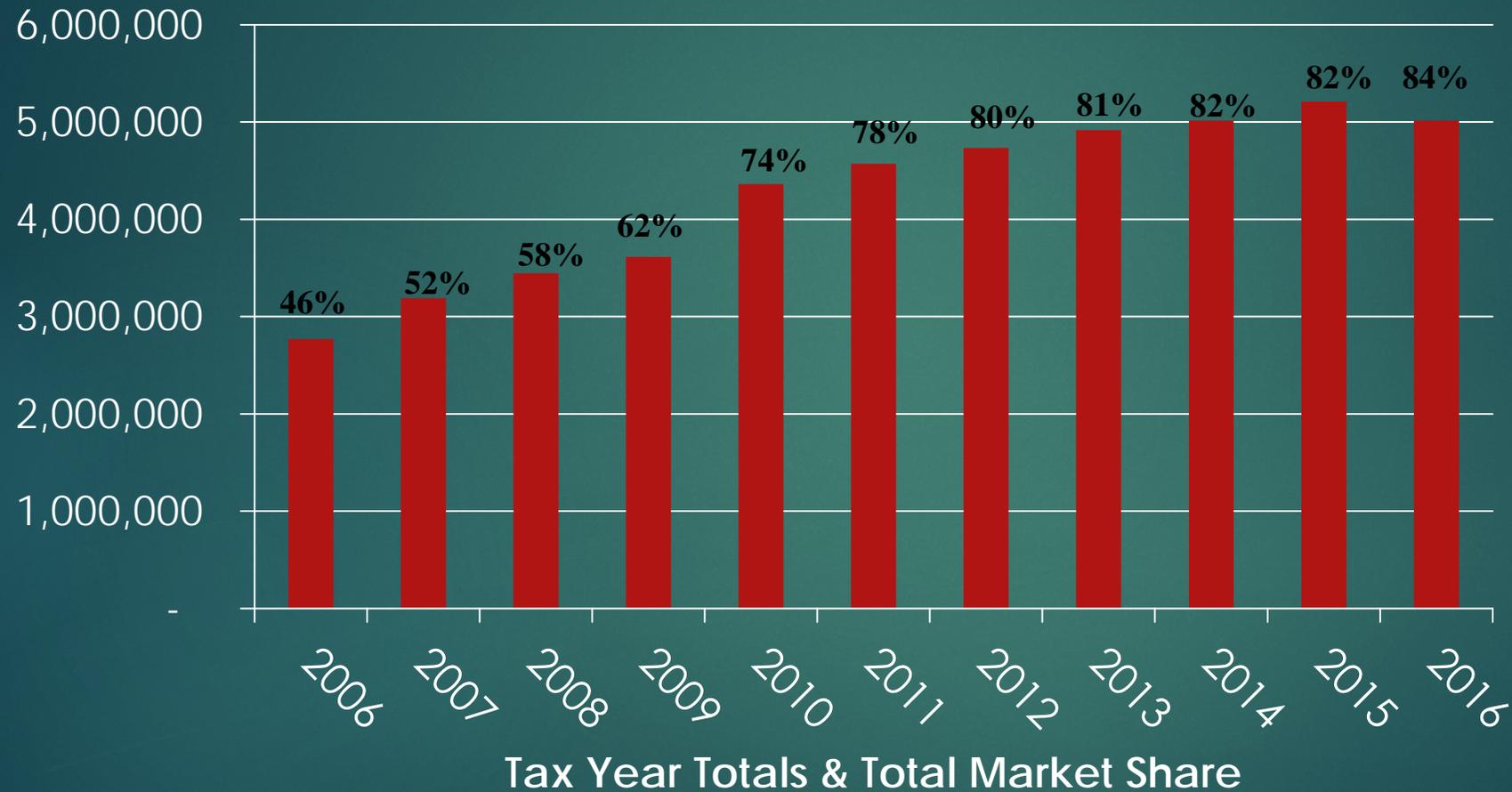


INDIVIDUAL INCOME TAX UPDATE

IL-1040 TY2016 Recap

- Currently 6.0 million returns filed (electronic & paper).
- Over 5.2 **million** returns were filed electronically! .6% increase over last year.
 - 15% zero balance
 - 67% refund
 - 18% balance due

IL-1040 Electronic Returns



IL-1040 e-File Reminders

- Prior Year IL-1040s can be filed electronically
- First time filers – paper check refunds only
- County name and Property Index Number still needed to claim property tax credit.
- Use tax of \$600 or less may still be reported on IL-1040; otherwise use ST-44.
 - Over \$8.9 million reported so far on the 2016 IL-1040.

IL-1040 e-File Reminders (Cont'd)

- Mark 3rd party designee box to discuss client's return.
- Verify individual estimated/extension payments and look up an IL 1099-G using MyTax Illinois web application.
- Paid tax preparers who file more than 10 IL-1040s must electronically file.
- PTIN required for returns from paid tax professionals.

Income Tax Changes due to P.A. 100-0022

Tax Rates

Effective July 1, 2017 income tax rates increase as follows:

- For individuals, trusts, and estates, the Illinois Income tax is increasing from 3.75 percent to 4.95 percent.
- For corporations (excluding S corporations), the Illinois Income Tax is increasing from 5.25 percent to 7 percent.

Income Tax Changes due to P.A. 100-0022

Standard Exemption Allowance

For tax years beginning on or after January 1, 2017, the personal exemption allowance may not be claimed if the taxpayer's adjusted gross income for the taxable year exceeds \$500,000 for returns with a federal filing status of married filing joint or \$250,000 for all other returns.

- This includes all dependents and the \$1,000 exemptions for either taxpayer being age 65 or older as well as the \$1,000 for either taxpayer for being legally blind.

Income Tax Changes due to P.A. 100-0022

Earned Income Credit

The earned income tax credit increase as follows:

- For tax years beginning on or after January 1, 2017, and before January 1, 2018, the earned income tax credit increased to 14 percent of federal earned income tax credit.
- For tax years beginning on or after January 1, 2018, the earned income tax credit increased to 18 percent of federal earned income tax credit.

Earned Income credit will no longer be reported on the Schedule ICR. EIC will now be reported on the Schedule EIC.

Schedule EIC-Draft form



Illinois Department of Revenue

2017 Schedule EIC Illinois Earned Income Credit

Attach to your Form IL-1040

IL Attachment No. 30

Read this information first

Complete this schedule only if you are eligible for the Illinois Earned Income Credit. If you fraudulently claim the Earned Income Credit, you may not be allowed to claim the credit for up to ten years. You may also have to pay penalties.

You must attach a copy of pages 1 and 2 of your federal Form 1040 or 1040A, or page 1 of your federal Form 1040EZ to this schedule.

You must complete Form IL-1040 through Line 28 before completing this schedule.

You must have claimed the federal Earned Income Credit in order to claim the Illinois Earned Income Credit.

The total amount of Illinois Earned Income Credit may exceed the amount of tax.

Step 1: Provide the following information

Your name as shown on your Form IL-1040 _____

Your Social Security number _____

Spouse's name as shown on your Form IL-1040 _____

Spouse's Social Security number _____

Step 2: Qualifying information

- 1 Did the Internal Revenue Service (IRS) previously disallow your federal Earned Income Credit? Yes No
- 2 Did the Illinois Department of Revenue previously disallow your Illinois Earned Income Credit? Yes No
- 3 Enter your federal adjusted gross income (AGI) from your federal Form 1040, Line 37; 1040A, Line 21; or 1040EZ, Line 4. 3 _____
- 4 Enter your wages, salaries and tips from your federal Form 1040 or 1040A, Line 7; or 1040EZ, Line 1. 4 _____
- 5 If you are filing your 2017 federal return as married filing jointly but are filing your 2017 Illinois return as married filing separately, enter your federal adjusted gross income (AGI) from your married filing jointly federal Form 1040, Line 37; 1040A, Line 21; or 1040EZ, Line 4. 5 _____
- 6 If you entered an amount on Line 5, enter your spouse's Social Security number from your married filing jointly federal return. 6 _____

Step 3: Qualifying child information

Complete the table for each child you claimed on your federal Schedule EIC.

Note: If you are not claiming a qualifying child, skip Step 3 and go to Step 4.

Child's first name	Child's last name	Social Security number	Child's relationship to you	Child's date of birth (mm/dd/yyyy)	Full time student	Person with disability	Number of months living with you
					<input type="checkbox"/>	<input type="checkbox"/>	
					<input type="checkbox"/>	<input type="checkbox"/>	
					<input type="checkbox"/>	<input type="checkbox"/>	

Step 4: Figure your Illinois Earned Income Credit

- 7 Enter the amount of federal Earned Income Credit from your federal Form 1040, Line 66a; 1040A, Line 42a; or 1040EZ, Line 8a. 7 _____
- 8 Multiply the amount on Line 7 by 14% (.14). 8 _____
- 9 Illinois residents: Enter 1.0. Nonresidents and part-year residents: Enter the decimal from Schedule NR, Line 48. 9 _____
- 10 Multiply Line 8 by the decimal on Line 9. This is your Illinois Earned Income Credit. Enter this amount here and on your Form IL-1040, Line 29. 10 _____



Income Tax Changes due to P.A. 100-0022

K-12 Education Expense Credit

- For tax years ending on or after December 31, 2017, the maximum amount of the K-12 Education Expense credit has increased to \$750 per family.
- The K-12 Education Expense credit is NOT allowed if the taxpayer's adjusted gross income for the taxable year exceeds \$500,000 for returns with federal filing status of married filing joint or \$250,000 for all other returns.

Income Tax Changes due to P.A. 100-0022

Property Tax Credit

- For tax years beginning on or after January 1, 2017, the Illinois Property Tax Credit is not allowed if the taxpayer's adjusted gross income for the taxable year exceeds \$500,000 for returns with a federal filing status of married filing joint or \$250,000 for all other returns.

Income Tax Changes due to P.A. 100-0022

Instructional Materials & Supplies Credit

- For tax years beginning on or after January 1, 2017, a credit is allowed equal to the amount paid during the taxable year for instructional materials and supplies with respect to classroom-based instruction in a qualified school, or \$250, whichever is less, provided the taxpayer is a teacher, instructor, counselor, principal, or aide in a qualified school for at least 900 hours during the school year.
- The credit may not be carried back and may not reduce the tax liability to less than zero. Any excess credit may be carried forward and applied to tax liabilities for 5 years following the excess credit.
- This credit will be reported on the 1299-C

Schedule 1299-C-Draft form

Instructional Materials and Supplies Credit

	A Primary taxpayer	B Spouse
52 a Social Security number	_____	_____
b School name (Illinois only)	_____	_____
c Total qualified expenses paid in 2017	_____	_____
d Enter the lesser of Line 52c or \$250.	_____	_____
53 Add Step 3, Line 52d, Column A, and Line 52d, Column B. This is your Instructional Materials and Supplies Credit. 53	_____	

Other Credits which may be carried forward for five years

Note See instructions before completing. Identify below Illinois Income Tax credits which are allowed by the Illinois Income Tax Act (IITA), which may be claimed on the 2017 Schedule 1299-C, and which may be carried forward five years, but for which no specific line has been provided on this 2017 Schedule 1299-C. Attach any documentation as required by the IITA, the Illinois Income Tax Regulations, or the Schedule 1299-C instructions. Do not report on these lines Illinois Income Tax credits

- which may be carried forward for a period of other than 5 years,
- which have expired and may not be claimed on this 2017 Schedule 1299-C, or
- for which a specific line has been provided elsewhere on this 2017 Schedule 1299-C.

Failure to follow these instructions may result in further correspondence from the Department, the disallowance of the credit, or a delay in the processing of your return. You also may be required to submit further information to support the credit claimed.

	A Three Digit Other Credits Code Number	B Name and Breakdown of Other Credits claimed	C Amount of Other Credits claimed
54 a	_____	_____	a _____
b	_____	_____	b _____
c	_____	_____	c _____
55 Enter any distributive share of Other Credits from partnerships and S corporations. Attach Schedule(s) K-1-P. 55	_____		
56 Add Step 3, Column C, Lines 54a through 54c and Line 55. This is your Other Credits. 56	_____		

Total Five-year Credits

57 Add Step 3, Lines 6, 8, 11, 14, 17, 26, 29, 32, 35, 38, 41, 44, 51, 53, and 56. Enter the amount here and in Step 4, Line 22. **57**

Income Tax Changes due to P.A. 100-0022

Research and Development Credit

- The Research and Development Credit has been reinstated and is retroactive for the 2016 tax year.
- A supplemental schedule has been designed to allow you to claim the Research and Development Credit for the 2016 tax year, if applicable.
- If you have already filed your return you will need to attach the schedule to your amended return. If you have not filed your original return you will attach it to your original return.
- **Important:** IL-1040 returns (1299-C) claiming this credit will need to be filed via paper. Business Income Tax returns will be enabled to be filed electronically with supplemental support.

Schedule 1299-C (R&D)



Illinois Department of Revenue
2016 Schedule 1299-C (R&D)

Attach to your Form IL-1040.

**2016 Research and Development Credit
Supplemental Schedule**

(for individuals)

IL Attachment No. 31

Your name as shown on Form IL-1040

Your Social Security number

■ Research and Development Credit (Qualifying expenses must be from research activities conducted in Illinois.)

Enter the following:

1 Illinois wages for qualified services (see instructions)

2 Illinois cost of supplies

3 Illinois rental or lease costs of computers

4 65% (.65) of Illinois contract expenses

Figure your credit:

5 Add Lines 1 through 4 of each column. Total Illinois qualifying expenses.

6 Subtract Column A, Line 5, from Column B, Line 5. If negative, enter zero.

7 Multiply Line 6 by 6.5% (.065).

8 Enter any distributive share of Research and Development Credit from partnerships and S corporations.

Attach supplemental Schedule(s) K-1-P (R&D).

9 Add Lines 7 and 8. This is your **Research and Development Credit**. Include this amount on your 2016 Schedule 1299-C, Step 3, Section B, Line 52. See instructions.

	A	B
	Base period avg. expenses	This year's expenses
1	_____	_____
2	_____	_____
3	_____	_____
4	_____	_____
5	_____	_____
6		_____
7		_____
8		_____
9		_____

Special attachment note -

- You must attach this schedule to your Form IL-1040 directly behind your completed 2016 Schedule 1299-C.



INVEST IN KIDS ACT

P.A. 100-0465

Invest In Kids Act

Overview

- Public Act 100-0465 created the Invest in Kids Act (35 ILCS 40/1). This Act allows income tax credits for taxpayers who make authorized contributions to a Scholarship Granting Organization. The Scholarship Granting Organizations, in turn, provide scholarships for eligible Illinois students to attend non-public schools in Illinois.
- The Department can issue up to \$75 million in tax credits per calendar year.
- Credits shall be awarded on a first-come, first-served basis in a manner that is geographically proportionate to enrollment in recognized non-public schools in Illinois.
 - For the purpose of awarding credits, Illinois will be divided into five regions whose boundaries are the same as the Illinois Appellate court districts.

Invest In Kids Act

Scholarship Granting Organizations

Requirements

- SGOs must be exempt from tax under Section 501(c)(3) of the Internal Revenue Code. In addition, they must:
 - distribute at least 95% of the qualified contributions received to recognized schools for scholarships;
 - provide scholarships to students according to the Act; deposit and hold the qualified contributions and any income derived from the contributions in an account that is separate from the organization's operating fund or other funds until contributions or income are withdrawn for use;
 - SGOs must be approved by the Department before accepting contributions or issuing Certificates of Receipt (CORs) to donors.

Invest In Kids Act

Taxpayer Benefits

- Illinois taxpayers who are approved can receive state income tax credits in the amount of 75% of their total qualified contributions made to one or more Scholarship Granting Organizations during a taxable year. Credits cannot exceed \$1 million per taxpayer, per year.

Example: A taxpayer makes a qualified contribution of \$10,000 to an approved SGO. The taxpayer will be eligible to claim a \$7,500 tax credit.

Invest In Kids Act

Credit Approval Process

- Taxpayers must first apply to the Department for approval to make such contributions. You must apply online through MyTax Illinois, at tax.illinois.gov.
- Approval is granted automatically as long as the regional and statewide thresholds have not been met.
- **Important:** You must have a registered MyTax Illinois account in order to apply for the credit. If you want to apply for the credit approval, you are encouraged to create a MyTax Illinois account as soon as possible to avoid any processing delays when the application system goes live.

Invest In Kids Act

When can applications be submitted?

- The Invest in Kids tax credit application for individual and business taxpayers will be available through MyTax Illinois on January 2, 2018, and tax credits are awarded on a first-come, first-served basis. Approved credits may be taken, beginning with the filing of your 2018 income tax return.

Invest In Kids Act

What is needed to claim the Invest in Kids tax credit?

- Once approved, taxpayers are issued a Contribution Authorization Certificate by the Department. Within 60 days of issuance, you must provide a copy of this Contribution Authorization Certificate, along with your full contribution to the Scholarship Granting Organization.
- The Scholarship Granting Organization will issue you a Certificate of Receipt within 30 days of receiving your contribution.
- The Certificate of Receipt will serve as documentation of the tax credit claimed by the taxpayer.

Invest In Kids Act

What if I don't need all of my tax credit?

- Any credit amount that exceeds your tax liability for the year may be carried forward and applied to your tax liability in the subsequent five taxable years. Credits are applied to the earliest year for which there is a tax liability. Credits cannot be carried back to a prior tax year.
- **Important:** You must apply in January of each year to be approved for a new Invest in Kids tax credit. If you are claiming unused credits from a prior year, approval for use of these credits is not required.

Invest In Kids Act

Are there limitations on the credit?

- No credit shall be taken under this Act for any qualified contribution for which the taxpayer claims a federal income tax deduction.
- The credit may not be transferred.

Invest In Kids Act

Additional Information

- Informational Bulletin FY 2018-07
 - Provides an overview of the Act, and high level information for taxpayers and Scholarship Granting Organizations
- Rules will be submitted to JCAR by mid-November
- Planning additional bulletins with more specific information tailored to both Scholarship Granting Organizations and taxpayers.
- These bulletins, and any other information, will be shared through our website at tax.Illinois.gov, as they become available.



Questions?