Illinois Department of Revenue

TAX PRACTITIONERS MEETING

November 19, 2019

Income Tax Rulemaking

A. Adopted

1. 86 Ill. Admin. Code § 100.3370, 100.3380, 100.3600, 100.5220, 100.5270, 100.9700 (Effective 8/27/2019)

This rulemaking implements the provision in Public Act 100-0022 that repealed the prohibition on persons who are required to use different apportionment methods from being members of the same unitary business group. This rulemaking provides guidance on how taxpayers should combine the income and apportionment factors of unitary business group members that are required to use different apportionment methods.

2. 86 Ill. Admin. Code § 210.126 (Effective 4/24/2019)

This rulemaking reflects changes in procedures regarding the filing of applications for voluntary disclosure. The rules are updated to provide that applications for voluntary disclosure must be filed with the Department's Problems Resolution Division (PRD), rather than with the Board of Appeals. Various statutory citations within the rules have also been updated, along with changes that reflect the current organizational structure of the Department. The name of the Part is being changed to emphasize that the voluntary disclosure program is no longer administered by the Board of Appeals.

3. 86 Ill. Admin. Code § 100.2850 (Effective 12/18/2018)

This rulemaking provides guidance for determining the amount of the subtraction allowed to partnerships under IITA Section 203(d)(2)(H) for personal service income or for a reasonable allowance for compensation for services rendered by partners.

B. Introduced

1. 86 Ill. Admin. Code § 100.2470 (First Notice 10/11/2019)

This rulemaking amends Section 100.2470 to reflect the tax exemption for interest from bonds issued under the New Harmony Bridge Authority Act and the New Harmony Bridge Interstate Compact Act, which were enacted in Public Act 100-981, and the amendment in Public Act 101-118 to Section 4.10 of the Family Practice Residency Act to allow the Department of Public Health to pay off student loans of certain “health care providers” rather than just those of certain “primary care physicians." Section 4.10 provides that payment of student loans under its provisions will not be taxable to the health care providers.

2. 86 Ill. Admin. Code § 100.4100 (First Notice 9/20/2019)

This rulemaking adopts new Section 100.4100 to provide guidance on the proper taxable years to be used for Illinois income tax purposes.

3. 86 Ill. Admin. Code § 100.2055, 100.2160, 100.2165, 100.2171, 100.2180, 100.2181, 100.2185, 100.2199

(First Notice 9/27/2019)

This rulemaking amends Sections 100.2055, 100.2160, 100.2165, 100.2171, 100.2180, 100.2185 and 100.2199 and adopts new Section 100.2181 to reflect legislative changes to the Illinois Income Tax Act in PAs 97-652, 100-22, 100-328, 100-865, and 101-207, an amendment to the Film Production Services Tax Credit Act of 2008 in PA 101-178 extending the sunset date of the credit, and an amendment to the School Code in PA 98-544 to make attendance at kindergarten mandatory.

4. 86 Ill. Admin. Code Part 700 (First Notice 8/23/2019)

This rulemaking updates the UPIA rules to reflect amendments to the UPIA in Public Acts 91-203, 93-32, 93-1068, 98-425, and 99-335.