



2023 Schedule K-1-P(4)

Investment Partnership Withholding Calculation for Nonresident Partners

To be completed by investment partnerships filing Form IL-1065.



Year ending

Month Year

Read this information first:

- **For tax years ending on or after December 31, 2023, and before December 31, 2024.**
- You **must** complete Schedule K-1-P(4) for each nonresident partner, unless that partner is
 - exempt from tax under IRC Section 501(a) or IITA Section 205, or
 - a retired partner whose distributions are exempt from tax under IITA Section 203(a)(2)(F).
- **Do not** complete Schedule K-1-P(4) for any partner who is a resident.
- You **must** complete Schedule K-1-P(4) for each partner that is a partnership or S corporation.
- Form IL-1000-E, Certificate of Exemption for Pass-through Withholding, will not exempt an investment partnership from investment partnership withholding.

Note → **Keep this schedule with your income tax records. You must send us this information if we request it.**
 For more information, see 86 Ill. Admin. Code Section 100.7034.

Step 1: Identify your investment partnership

- 1 _____ 2 _____
 Enter your name as shown on your Form IL-1065. Enter your federal employer identification number (FEIN).

Step 2: Identify your nonresident partner

- 3 _____ 4 _____
 Name Social Security number or FEIN
- 5 Check the appropriate box to identify this partner's organization type.
- individual corporation trust partnership S corporation estate

Step 3: Figure your nonresident partner's investment partnership withholding before credits

- 6 Enter this partner's share of Illinois apportioned business income from other partnerships under IITA Section 305(a). This is this partner's share of business income from other partnerships allocable to Illinois. See instructions before completing. 6 _____
- 7 Enter this partner's share of Illinois allocated nonbusiness income from other partnerships under IITA Sections 305(b) and 303 (other than nonbusiness income that is allocated based on commercial domicile). This is this partner's share of nonbusiness income from other partnerships allocable to Illinois. See instructions before completing. 7 _____
- 8 Add Line 6 and Line 7 and enter the result. 8 _____
- 9 Investment partnership withholding before credits. If this partner is a **partnership, S corporation, individual, or estate**, multiply Line 8 by 4.95% (.0495) and enter the result; **trust**, multiply Line 8 by 6.45% (.0645) and enter the result; **corporation**, multiply Line 8 by 9.5% (.095) and enter the result. 9 _____

Step 4: Figure your nonresident partner's investment partnership withholding

- 10 Enter the amount of Illinois income tax credits used to offset this partner's investment partnership withholding. See instructions. 10 _____
- 11 Enter the amount of Illinois replacement tax investment credits used to offset this partner's investment partnership withholding. See instructions. 11 _____
- Note** → **Only credits passed through in the current year are allowed to offset investment partnership withholding.**
- 12 Enter the amount of pass-through entity (PTE) tax credit used to offset this partner's investment partnership withholding. See instructions. 12 _____
- 13 Add Lines 10 through 12 and enter the results. 13 _____
- 14 Subtract Line 13 from Line 9. This is total investment partnership withholding for this partner. **Use this total to calculate the amount of total investment partnership withholding you are reporting on your Form IL-1065, Step 8, Line 59b. See instructions.** 14 _____

► **Keep a copy of this schedule for each nonresident partner with your income tax records. Do not send Schedule K-1-P(4) to your partners or submit it to the Illinois Department of Revenue unless we specifically request it from you.**