

## General Information

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### Who must file this return?

You must file and pay tax on

- your invested capital (*i.e.*, Invested Capital Tax) if you are in the business of distributing, supplying, furnishing, or selling gas or water. If you are in the business of distributing, supplying, furnishing, or selling electricity and you are an electric cooperative, you must also file and pay tax on your invested capital.
- electricity you distribute in Illinois (*i.e.*, Electricity Distribution Tax) if you are
  - in the business of distributing electricity for use or consumption and not for resale, and
  - **not** an electric cooperative.

### What is invested capital?

Invested capital is the amount equal to the fraction determined under the Illinois Income Tax Act, Sections 301 and 304a, multiplied by either

- the average of the balances at the beginning and end of each taxable period of your total stockholder's equity plus your total long-term debt offset by your investments in and advances to all corporations, as shown on your annual report to the Illinois Commerce Commission for the taxable period; or
- in the case of an electric cooperative, the average of the balances at the beginning and the end of each taxable period of your total equity including memberships, patronage capital, operating margins, non-operating margins, other margins, and other equities as shown on your annual report to the United States Department of Rural Utilities Services.

### Who must complete Worksheet A?

You must complete Worksheet A for liabilities on or after January 1, 1998 if you are **not** an electric cooperative and are in the business of

- distributing, supplying, furnishing, or selling **gas** for use or consumption and not for resale, and
- distributing **electricity** for use or consumption and not for resale.

Completing this worksheet ensures that you are not paying both the Invested Capital Tax and the Electricity Distribution Tax on your electricity plant operations.

### Who must complete Worksheet B?

You must complete Worksheet B for liabilities on or after January 1, 1998 if you are **not** an electric cooperative and are in the business of distributing **electricity** for use or consumption and not for resale.

### Can I file this return electronically?

Yes, you can use MyTax Illinois on our website at [tax.illinois.gov](http://tax.illinois.gov) to file your ICT-4.

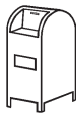
### How do I pay?

You must make quarterly estimated payments on Form ICT-1, Electricity Distribution and Invested Capital Tax Estimated Payment, on March 15, June 15, September 15, and December 15.

### When should I file Form ICT-4?

You must file Form ICT-4 and pay any tax due by March 15 following the close of your taxable period.

Mail your completed return and payment to



INVESTED CAPITAL TAX  
ILLINOIS DEPARTMENT OF REVENUE  
PO BOX 19019  
SPRINGFIELD IL 62794-9019

### What if I fail to file and pay the amount I owe?

You owe a **late-filing penalty** if you do not file a processable return by the due date, a **late-payment penalty** if you do not pay the tax you owe by the date the tax is due, and a **bad check penalty** if your remittance is not honored by your financial institution. Interest is calculated on tax from the day after the original due date of your return through the date you pay the tax. We will bill you for penalties and interest. For more information about penalties and interest, see Publication 103, Penalties and Interest for Illinois Taxes. To receive a copy of this publication, visit our website at [tax.illinois.gov](http://tax.illinois.gov).

### How do I determine my apportionment factor?

Most taxpayers have an apportionment factor of 1.00. However, if you file Form IL-1120, IL-1120-ST, IL-1065, or if you are part of a unitary group and you have an apportionment factor other than 1.00, use the apportionment factor determined on your Business Income Tax return.

**Note:** If you are a member of a unitary group, you must use your separate apportionment factor.

If you amend the apportionment factor on your income tax return, you must amend your Form ICT-4.

### Where can I get help?

If you have questions or need help completing your return, call our Springfield office weekdays between 8:00 a.m. and 4:30 p.m. at **217 782-7517**.

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# Form ICT-4 Instructions

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## Step-by-Step Instructions

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### Step 1: Figure your Invested Capital Tax

Complete this part if you are in the business of distributing, supplying, furnishing, or selling gas; water; electricity (electric cooperatives only); or any combination of the three.

**Line 1** - In **Column A**, write the total beginning balance of proprietary capital, stockholders' equity, or total equity as shown on your balance sheet included in your annual report filed with the Illinois Commerce Commission or the U.S. Department of Rural Utilities Services.

In **Column B**, write the total ending balance of proprietary capital, stockholders' equity, or total equity as shown on your balance sheet included in your annual report filed with the Illinois Commerce Commission or the U.S. Department of Rural Utilities Services.

**Line 2** - In **Column A**, write the total beginning balance of long-term debt as shown on your balance sheet included in your annual report filed with the Illinois Commerce Commission or the U.S. Department of Rural Utilities Services.

In **Column B**, write the total ending balance of long-term debt as shown on your balance sheet included in your annual report filed with the Illinois Commerce Commission or the U.S. Department of Rural Utilities Services.

**Line 4** - In **Column A**, write the total beginning balance of investments in and advances to all corporations as shown on your balance sheet included in your annual report filed with the Illinois Commerce Commission or the U.S. Department of Rural Utilities Services.

In **Column B**, write the total ending balance of investments in and advances to all corporations as shown on your balance sheet included in your annual report filed with the Illinois Commerce Commission or the U.S. Department of Rural Utilities Services.

**Line 8** - Use the apportionment factor determined on your Form IL-1120, IL-1120-ST, IL-1065, or Part IV of Schedule UB (if you are part of a unitary group) for the same taxable year.

### Step 2: Figure your Electricity Distribution Tax

Complete this part if you are **not** an electric cooperative and are in the business of distributing electricity for use or consumption and not for resale.

**Line 13** - Write the total number of kilowatt-hours (kwh) you distributed during the calendar year for which you are filing this return.

### Step 3: Figure your payment

**Line 16** - Write the total of all estimated tax payments you made during the taxable period.

**Line 17** - If Line 16 is greater than Line 15, subtract Line 15 from Line 16 and write the difference on Line 17. This is the amount of tax you have overpaid.

**Line 19** - If you have a credit memorandum issued to you by us and wish to apply that toward your balance due, write the amount of credit you wish to apply.

### Line 20 - Subtract Line 19 from Line 18.

This amount is the total due. If you do not file a processable return or pay the tax you owe by the due date, you will owe additional penalty and interest. We will bill you for penalties and interest. See the most current Publication 103, Penalties and Interest for Illinois Taxes, for more information.

### Worksheet A

You must complete this worksheet (for liabilities on or after January 1, 1998) if you are **not** an electric cooperative and are in the business of

- distributing, supplying, furnishing, or selling **gas** for use or consumption and not for resale, and
- distributing **electricity** for use or consumption and not for resale.

**Line a** - In **Column 1**, write the balance at the beginning of the year of gas plant in service.

In **Column 2**, write the balance at the end of the year of gas plant in service.

**Line d** - In **Column 1**, write the balance at the beginning of the year of gas and electric plant in service.

In **Column 2**, write the balance at the end of the year of gas and electric plant in service.

### Worksheet B

You must complete this worksheet (for liabilities on or after January 1, 1998) if you are **not** an electric cooperative and are in the business of distributing **electricity** for use or consumption and not for resale.

**Line a** - Write the total number of kilowatt-hours distributed during the calendar year for which you are filing this return.

**Lines b through i** - Follow the instructions printed for each line.

### Step 4: Signatures

An owner, partner, officer of the corporation, or other person who is authorized to file your returns must sign and date Form ICT-4. If you use a tax preparer, he or she must also sign and date Form ICT-4. Be sure to include a daytime telephone number where we can reach you if we have questions.