

General Information Letter: Partnerships may not join in the filing of a combined return.

February 19, 2008

Dear:

Your letter dated October 24, 2007, has been forwarded to me for consideration. The nature of your request and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 86 Ill. Adm. Code 1200.120(b) and (c), which may be found on the Department's web site at [www. tax.illinois.gov](http://www.tax.illinois.gov).

In your letter you have stated the following:

Enclosed is Form BTR-46-B, Nonfiler Response Form, for the above named taxpayer, in response to the Notice (BTR-45-B) dated October 15, 2007, which is also enclosed.

COMPANY, LP is part of a unitary business group and is therefore not required to file a 2005 IL-1065.

Response

86 Ill. Adm. Code Section 100.3380(d) provides special rules for determining the Illinois net income of a partner who is engaged in a unitary business with its partnership. This regulation requires the partnership to file a separate return, rather than joining in the combined return of the unitary business group. See item G under the General Information, "What is a unitary business group?" section of the instructions to Schedule UB, Combined Apportionment for Unitary Business Group, and also Schedule K-1-P(1), Partnership's and S Corporation's Instructions for Schedule K-1-P, Partner's or Shareholder's Share of Income, Deductions, Credits, and Recapture.

If COMPANY, LP joined in the filing of a combined Illinois income tax return, it should include a statement to that effect with its return, including the name and federal identification number of the designated agent that filed the return, because erroneously joining in a combined return may serve as a basis for abatement of late filing penalties.

As stated above, this is a general information letter which does not constitute a statement of policy that applies, interprets or prescribes the tax laws, and it is not binding on the Department. If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of Section 1200.110(b). If you have any further questions, you may contact me at (217) 782-7055.

Sincerely,

Paul S. Caselton
Deputy General Counsel – Income Tax