



Illinois Department of Revenue

Individual Income Tax Software Developer and Transmitter Guide

Tax Year 2012

Illinois Changes - IL-1040 Electronic Filing Program

IL-1040 Changes

- The personal exemption amount for taxpayers and their dependents has increased to \$2,050.00.
- A new check box has been added to Step 11, Line 32, Late-payment penalty for underpayment of estimated, where a taxpayer may indicate they were not required to file an Illinois Individual Income Tax return in the previous tax year.

Schedule CU, Civil Union Income Report

A same-sex civil union return is now allowed to be filed electronically. Illinois has developed a new schedule, Schedule CU, Civil Union Income Report, that allows same-sex civil union taxpayers to report the amounts from their federal returns that were filed with the IRS, along with the amounts that would have been reported on a married filing jointly or married filing separately federal return.

Schedule 1299-C, Income Tax Subtractions and Credits (for individuals)

The Schedule 1299-C will now be accepted with an electronic IL-1040.

Schedule M, Other Additions and Subtractions for Individuals

A new subtraction modification line has been added for Will-Kankakee Regional Development Authority bonds.

Schedule G, Voluntary Charitable Donations

Five new funds have been added:

- Diabetes Research Fund,
- Hunger Relief Fund,
- Childhood Cancer Research Fund,
- Children's Wellness Charities Fund, and
- Housing for Families Fund

Schedule K-1-P, Partner's or Shareholder's Share of Income, Deductions, Credit and Recapture

- Check boxes have been added in Step 2 to identify if the original recipient of the schedule is a grantor trust or disregarded entity that passed the form on to another taxpayer who will report the income or loss from Schedule K-1-P on their tax return.
- A new credit line has been added for the Hospital Credit.

K-1-T, Beneficiary's Share of Income and Deductions

Check boxes have been added in Step 2 to identify if the original recipient of the schedule is a grantor trust or disregarded entity that passed the form on to another taxpayer who will report the income or loss from Schedule K-1-T on their tax return.

1040 Modernized e-File (MeF)

Illinois no longer supports returns in the direct and federal/state "legacy" platforms. Beginning January 2013, we will only support returns that have been filed through the 1040 Modernized e-File (MeF) platform (linked or unlinked). Our MeF schemas are available on our website.

Introduction

The Illinois Electronic Filing Program began in 1991 with 813 IL-1040s electronically filed. This past season, Illinois broke the 4.5 million mark for electronically filed IL-1040s. Beginning with the 2013 processing season, Illinois will only be accepting electronically filed IL-1040 returns in the MeF format.

Who can e-File an IL-1040, Illinois Individual Income Tax Return?

The following taxpayers may e-file their Illinois Individual Income Tax Return, IL-1040:

Full-year Illinois residents

Part-year Illinois residents

Nonresidents

Deceased taxpayers or spouse (decedent returns are not eligible for Illinois "online" e-Filing)

Taxpayers with a foreign address

Taxpayers may e-file a refund return, credit return, credit/refund split return, balance due return, or zero balance return

Contact Information

Electronic Filing Assistance

Illinois e-File Help Desk,
Software Developers,
Technical Assistance,
Transmission questions,
Testing,
Acknowledgment questions

Donald Gibbs
Phone - 217 524-1514
FAX - 217 782-7992
Email - donald.gibbs@illinois.gov

Taxpayer Assistance

Refund and general questions: 217 782-3336
1 800 732-8866
Hearing Impaired: 1 800 544-5304

Transmission of Returns

IL-1040 Modernized e-File (MeF)

The IRS spent over 3 years on the design and development of a new e-File system which is often referred to as Modernized e-File (MeF). MeF is a web-based system that allows electronic filing of several different returns through the Internet. MeF uses the widely accepted XML format. MeF provides the benefits of more explicit error conditions with new error codes that pinpoint error location; faster, near real-time acknowledgements; and integrated payment options where a return can be e-Filed and a balance due can be paid with electronic funds withdrawal at the same time.

Beginning with the 2013 processing season, Illinois only supports IL-1040 Electronic Filing in the MeF format. IL-1040 returns may be transmitted to the IRS as linked (fed/state) or unlinked (state-only or standalone) returns.

Acknowledgement Records

Acknowledgments for electronic IL-1040 returns are created after the returns are retrieved by the department from the IRS. The department creates an acknowledgment for each electronic IL-1040 return filed. Each acknowledgment indicates whether a return is accepted or rejected. If a return is rejected, error codes will be provided to identify the reason. All acknowledgments must be retrieved from the IRS acknowledgement system by the transmitter. An explanation of the error should be passed back to the return originator.

Reject Resolution Procedures

There are two opportunities for rejection of the electronic IL-1040. The state packet (whether linked or unlinked) may be rejected by the IRS at the time of transmission. In addition, once the state packet is accepted by the IRS, it may be rejected by the department after being retrieved from the IRS. Acceptance of the state packet by the IRS does not mean that the electronic IL-1040 return will be accepted by the Illinois Department of Revenue.

If the state submission is rejected by the IRS, the department has no knowledge that the electronic state packet exists or was rejected. After IRS rejection, the electronic state packet (linked or unlinked) can be retransmitted to the IRS, assuming any errors can be corrected. Once the state packet is accepted by the IRS, the IRS will make the state record available to the department for retrieval. If, after being retrieved, the electronic IL-1040 state record is then rejected by the department, the electronic IL-1040 return can be retransmitted to the IRS, assuming any errors can be corrected, providing the software being used supports the transmission of unlinked (state-only or standalone) returns.

Payment Options

Illinois offers several ways in which to pay a balance due on an electronically filed IL-1040.

- **Direct Debit** - The IL-Form Payment is used for Direct Debit. The IL-1040 payment and up to **four** future IL-1040-ES payments may be included in the submission when e-Filing the IL-1040. The IL-1040-ES payments are scheduled in advance and will be debited on the dates specified in the Form Payment record.
- **Credit Card** (Visa, MasterCard, Discover, or American Express) through the following credit card service providers:
 - **Official Payments Corporation** at 1 800 2PAYTAX (1 800 272-9829). You will need a Jurisdiction Code, which is **2300**.
 - **Value Payment Systems** at 1 888 9-PAY-ILS (1 888 972-9457).
 - **Link2Gov/FIS** at 1 877 57-TAXES (1 877 578-2937).

- **WebPay** - is an easy way for taxpayers to pay the amount owed through electronic funds withdrawal using the online application available on the department's website. The taxpayer will need their department assigned IL-PIN, Illinois Personal Identification Number, to use Web Pay.
- **Check or Money Order.** If the taxpayer chooses to mail a check or money order, the payment should be mailed to: Illinois Department of Revenue
Springfield IL 62726-0001

IMPORTANT NOTE:

The State of Illinois does not support international ACH transactions. Electronic refunds and payments may only be deposited or withdrawn from accounts located within the United States. Returns with the IAT Indicator will be rejected.

File Format

Software developers should refer to IRS Publication 4164, Modernized e-File (MeF) Guide for Software Developers and Transmitters, and the IL-1040 Schemas and Business Rules that are available on our website.

The following forms are currently being accepted through Illinois e-file:

- IL-1040, Illinois Individual Income Tax Return
- Schedule NR, Nonresident and Part-Year Resident Computation of Illinois
- Schedule M, Other Additions and Subtractions
- Schedule CR, Credit for Tax Paid to Other States
- Schedule ICR, Illinois Credits
- Schedule G, Illinois Voluntary Charitable Donations
- Schedule K-1-P, Partner's or Shareholders' Share of Income, Deductions, Credits, and Recapture
- Schedule K-1-T, Beneficiary's Share of Income and Deductions
- Schedule 1299-C, Income Tax Subtractions & Credits
- Schedule CU, Civil Union Income Report
- Form IL-2210, Computation of Penalties for Individuals
- Form IL-4562, Special Depreciation
- Form W-2
- Form W-2G
- Form 1099-R
- Form 1099-G IL, Illinois Unemployment Withholding Statement
- Form IL-Payment, Electronic Payment Record
- U.S. 1040 (or 1040A)
- U.S. Schedule B (or Schedule 1)
- U.S. Statements for U.S. 1040 and Schedule B

U.S. forms included in Illinois Electronic Transmission

When the subtraction on IL-1040, Line 5, Federally Taxed Retirement and Social Security, is greater than zero, the U.S.1040 or U.S. 1040A, and any Statement Records that relate to those two records must be transmitted for support. Likewise, when the subtraction on Schedule M, Line 20, U.S. Treasury bonds, bills, notes, savings bonds, and U.S. agency interest, is over \$1,500, U.S. Schedule B or U.S. Schedule 1, and any Statement Records that relate to those records must be transmitted for support.

Required Federal forms and attachments such as the U.S.1040, U.S. 1040A, U.S. Schedule B, and U.S. Schedule 1 that reference a statement must include any statement record referenced on their respective federal forms.

When IL-1040, Line 5, is used and Schedule M, Line 20, is **not** greater than \$1,500, no U.S. Schedule B is to be included in the transmission. Likewise, when Schedule M, Line 20, is greater than \$1,500 **and Line 5 is not used**, no U.S. 1040 pages are to be included in the transmission.

Allowable Characters in Electronic Returns

Alpha

A - Z - Upper case alpha characters only. Literals as shown in the schemas.

Money Fields – Refer to the format as dictated in the Illinois schemas.

Percentage fields – Refer to the format as dictated in the Illinois schemas.

ZIP Codes – must be either 5-digit or 9-digit.

Dates – Refer to the format as dictated in the Illinois schemas.

Alphanumeric **A - Z, 0 - 9, and special characters**

Special Characters

Only the following **special characters** are allowed:

Blank (b), Comma (,), Hyphen (-), Percent (%), Plus sign (+), and Slash (/).

Some cases for special characters:

Primary Last Name and Primary First Name; A-Z, Hyphen and Blank.

Secondary Last Name and Secondary First Name; A-Z, Hyphen and Blank.

Care of Name; A - Z, 0 - 9, Hyphen, Slash, Percent, and Blank.

Street; A - Z, 0 - 9, Hyphen, Slash, or Blank.

City; A - Z, Blank.

State; A - Z only, no special characters allowed.

Testing

All software developers who develop software to format or transmit IL-1040 electronic returns must pass testing with the department. Illinois test cases are defined in the IL-1347, Illinois Department of Revenue Electronic Filing Test Package. Testing will be done by transmitting “dummy” U.S. returns to the IRS in test mode with the Illinois test cases included. The U.S. returns that will carry the Illinois returns must be created by the developer. They may be made up of the minimum U.S. 1040 return data necessary to support the state return and pass the IRS edits. When you are ready to begin testing with Illinois, you must contact us at 217 524-4767 or 217 524-1514. When all test returns have been acknowledged as accepted by Illinois, call to ask for the test returns to be examined. At this point approval will be given or changes will be discussed and testing will be resumed.

Illinois "PC to PC" Online Filing Development

What Type of Returns Are Eligible for "PC to PC" Online Filing

The Illinois Department of Revenue allows individual taxpayers to file the following types of "online" returns:

- Full-year resident
- Part-year resident
- Nonresident returns.

The return(s) may reflect a refund, credit, credit/refund split, balance due, or zero balance.

What Type of Returns Are Not Eligible for "PC to PC" Online Filing

The Illinois Department of Revenue **does not allow** individual taxpayers to file the following types of "online" returns:

- Amended Illinois individual income tax returns,
- Prior year returns,
- Returns for fiscal year filers,
- Decedent returns

Illinois "Signature Alternatives"

Illinois Department of Revenue requires a "signature alternative" as the taxpayer's authentication for "online" returns.

We will accept one of the signature alternatives listed below for each "**historical filer**" on the return. The taxpayer's signature alternative must be on file with the Illinois Department of Revenue so we can compare and verify the information. If the taxpayer is not eligible for an Illinois Personal Identification Number, "IL-PIN", they are then required to use information from their valid Illinois Driver's License or Illinois state ID as their signature alternative.

Historical Filers

Unlike the federal self-select pin program, Illinois assigns the 8-digit IL-PIN to our eligible "historical filer" population. Taxpayers may use our IL-PIN inquiry system located on our website or call our Taxpayer Assistance Division to see if an IL-PIN has been assigned to them.

Taxpayers who are trying to obtain their IL-PIN from our website or by calling our Taxpayer Assistance Division must supply their name, Social Security number and at least one of the following pieces of information, 9-digit zip code, Illinois Drivers License number (DLN) or state ID, or prior year adjusted gross income.

IL-1040 Historical Filers

Taxpayers who have filed a return within the last two years should have an IL-PIN assigned by the department. Taxpayers must have at least one of the "signature alternatives" on file with the department to complete the filing of their "online" return.

- **IL-PIN**
- **Illinois Drivers License or Illinois State ID Number**
- **Prior Year AGI (IL-1040 Line 1)**
- **"9" Digit Zip Code.**

Historical filers may obtain their IL-PIN by either calling 1-800-732-8866 or online at: <https://www.revenue.state.il.us/app/pini/servlet/PINInquiry>

Non-Historical Filers - No IL-PIN

Illinois offers PC Online Filing to "first time filers" of IL-1040 returns or those who for some reason do not have a state issued IL-PIN. They will need a valid Illinois Drivers License or Illinois State ID card that was issued by the Illinois Secretary of State. As their signature alternative, they will be required to enter all of the following fields exactly as shown on their Illinois Drivers License or Illinois State ID card. If this information does not match the Illinois Secretary of State file the return will be rejected.

- **Taxpayer Drivers License or State ID Number**
- **Taxpayer Drivers License or State ID First Name**
- **Taxpayer Drivers License or State ID Middle Name, if present on Illinois Drivers License or State ID**
- **Taxpayer Drivers License or State ID Last Name**
- **Taxpayer Drivers License or State ID Suffix, if present on Illinois Drivers License or State ID**
- **Taxpayer Drivers License or State ID Weight**

Web Site Link Agreement

The Illinois Department of Revenue will place a link from our web site to the provider's web site when the online provider completes our Web Site Link Agreement. For more information and to obtain the Web Site Link Agreement, please contact the Electronic Commerce Division at 217-524-4767.

Consent to Disclosure

Software developers who develop “PC to PC” online software must include and provide the appropriate disclosure to the taxpayer in their software.

Illinois Consent to Disclosure

Before transmitting your return to the “firm name” Electronic Filing Center and then to the Illinois Department of Revenue (IDOR), you must first read and authenticate the Illinois “Tax Return Signature/Consent to Disclosure” presented here and on the next few screens. This is a legal statement authorizing “firm name” and the IDOR to process your return electronically.

Your Tax Return Signature:

“Under penalties of perjury, I declare that I have examined this return and, to the best of my knowledge and belief, it is true, correct, and complete.”

“I consent to my on-line service provider (OLSP) and/or my transmitter sending my return to the IDOR. I also consent to the IDOR sending my OLSP and /or transmitter an acknowledgment of receipt of transmission and an indication of whether or not my return is accepted, and if rejected the reason(s) for the rejection.

I am signing this Tax Return Signature/Consent to Disclosure by entering the following information”:

IL-1040 Historical Filers

Both Primary Taxpayer and Secondary Taxpayer, if “married filing joint” status, must enter their individual “signature alternatives”.

- **IL-PIN**
- **Illinois Drivers License or State ID Number**
- **Prior Year AGI (IL-1040 Line 1)**
- **"9" Digit Zip Code.**

Non-Historical Filers - No IL-PIN

Both Primary Taxpayer and Secondary Taxpayer, if “married filing joint” status, must enter their individual “signature alternatives”.

- **Taxpayer Drivers License or State ID Number**
- **Taxpayer Drivers License or State ID First Name**
- **Taxpayer Drivers License or State ID Middle Name, if present on Illinois Driver's License**
- **Taxpayer Drivers License or State ID Last Name**
- **Taxpayer Drivers License or State ID Suffix, if present on Illinois Driver's License**
- **Taxpayer Drivers License or State ID Weight**

REFUND

- I consent that my refund may be directly deposited as designated below and declare that the RTN and DAN are correct. If I have filed a joint return, this is an irrevocable appointment of the other spouse as an agent to receive the refund.

Routing transit number (RTN)

Depositor account number (DAN)

BALANCE DUE

Check or Money Order

Make your check or money order payable to the “Illinois Department of Revenue”. Write your Social Security number and your spouse’s Social Security number, if filing jointly, in the lower left corner of your payment. Mail your completed IL-1040-V and payment to:

ILLINOIS DEPARTMENT OF REVENUE
SPRINGFIELD IL 62726-0001

or

Credit Card

- If you want to pay the tax you owe using your credit card, you may make payments through the following credit card service providers:
 - **Official Payments Corporation** at 1 800 2PAYTAX (1 800 272-9829). You will need a Jurisdiction Code, which is **2300**.
 - **Value Payment Systems** at 1 888 9-PAY-ILS (1 888 972-9457).
 - **Link2Gov/FIS** at 1 877 57-TAXES (1 877 578-2937).

Note: The credit card service provider assesses a convenience fee.

or

Electronic Funds Withdrawal / WebPay

You can elect to have your balance due debited from your account by including the IL-Form Payment in your return transmission. You can also initiate up to four IL-1040-ES payments when e-Filing. The payments will be debited on the dates you specify. Or, you can choose to use the WebPay option available on IDOR’s website.

IMPORTANT NOTE:

The State of Illinois does not support international ACH transactions. Electronic refunds and payments may only be deposited or withdrawn from accounts located within the United States.