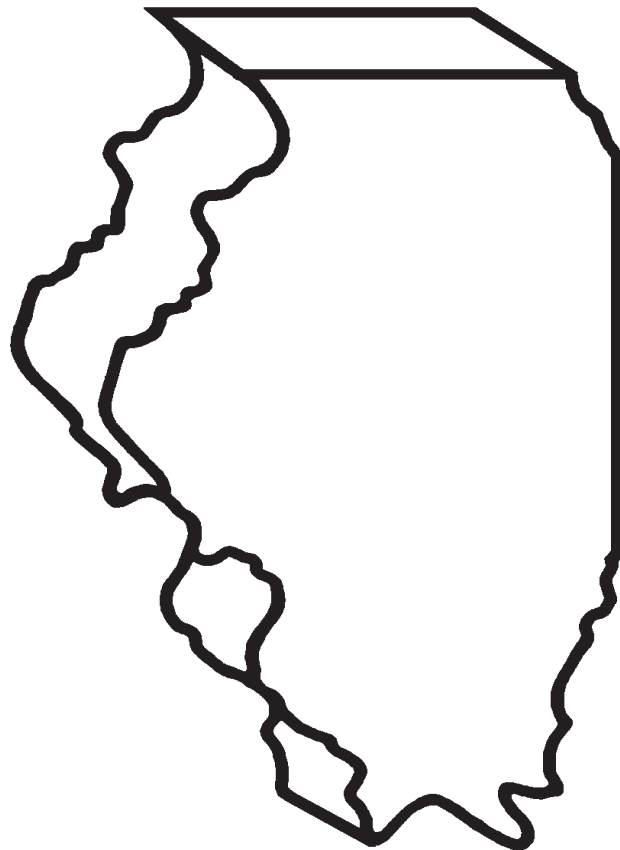


**Illinois Department of Revenue**  
**Implementation Guide for**  
***1120 Federal/State Electronic Filing Program***



**September 2009**

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## Section 1 – Overview

Effective April 1, 2010, or as soon as possible thereafter, electronic filing of tax year 2009 corporate returns will be available for Illinois. The Illinois Department Of Revenue (IDOR), in conjunction with the Internal Revenue Service (IRS), will accept and acknowledge electronically filed Form IL-1120, Corporation Income and Replacement Tax Return, and accompanying schedules. This is a Federal/State program, allowing both the federal and state returns to be transmitted to the IRS using the Modernized E-File system (MeF). “State Only” returns may also be transmitted to the IRS and will be accepted by IDOR. Returns that are excluded from Federal 1120 electronic filing are also excluded for Illinois.

The transmission method will be a web service using Simple Object Access Protocol (SOAP) with attachments messaging. The return data will be formatted using Extensible Markup Language (XML) “schemas” that have been developed for this purpose. State return acknowledgments will be made available for retrieval from the IRS. Detailed information on the Federal/State 1120 Program, including the XML schemas and transmission information, is available from the IRS website in various publications and manuals.

Forms accepted are:

- IL-1120, Corporation Income and Replacement Tax Return
- Schedule 80/20, Related Party Expenses
- Schedule K-1-P, Partner’s or Shareholder’s Share of Income, Deductions, Credits and Recapture
- Schedule K-1-T, Beneficiary’s Share of Income and Deductions
- Schedule M (for IL-1120 filers), Other Additions and Subtractions
- Schedule 1299-B, Enterprise Zone or Foreign Trade Zone (or sub-zone) Subtractions
- Schedule J, Foreign Dividends
- Schedule NB, Nonbusiness Income
- Schedule NLD, Illinois Net Loss Deduction
- Schedule 4255, Recapture of Investment Tax Credits
- Form IL-4562, Special Depreciation
- Form IL-477, Replacement Tax Investment Credits
- Schedule 1299-D, Income Tax Credits
- Form IL-2220, Computation of Penalties for Businesses
- Schedule INS, Tax for Foreign Insurers
- Schedule UB, Combined Apportionment for Unitary Business Group
- Schedule UB/INS, Tax for a Unitary Business Group with Foreign Insurer Members
- Schedule UB/NLD, Unitary Illinois Net Loss Deduction
- Copies of Federal forms as required by IL-1120 Instructions

The program is open to software developers, transmitters, electronic return originators, and taxpayers using the services of approved electronic filers. Only software developers will be required to register with IDOR, using Form IL-8633-B, Business Electronic Filing Enrollment. Participants will use their IRS EFIN and ETIN.

Taxpayers will have the opportunity of electronically paying any balance due by Electronic Funds Transfer (EFT), using either the ACH debit or ACH credit option, or may pay by check. Paper checks must be submitted with Form IL-1120-V payment voucher, produced by the software the electronic filer is using.

**Note** → Forms and schedules that do not relate your Form IL-1120 should not be transmitted with your return.

For example, do not include Schedule INS in your transmission if

- you are not an insurance company, or
- you are an insurance company, but the alternate tax calculated on Schedule INS is not less than the amount of tax calculated on Form IL-1120, or
- you are an insurance company, but you elect not calculate the alternate tax on Schedule INS.

## Section 2 – Contact Information

### General Questions - Corporate Income and Replacement Tax

Write to us:

TAXPAYER ASSISTANCE DIVISION  
ILLINOIS DEPARTMENT OF REVENUE  
PO BOX 19044  
SPRINGFIELD IL 62794-9044

Call us:

1 800 732-8866 or 217 782-3336  
1 800 544-5304 – TDD (telecommunications device for the deaf)

Visit our web site:

[www.tax.illinois.gov](http://www.tax.illinois.gov)

### General Questions – for electronic filing or enrollment using Form IL-8633-B and Technical Questions – return schemas and acknowledgments:

ELECTRONIC FILING SECTION  
ILLINOIS DEPARTMENT OF REVENUE  
PO BOX 19479  
SPRINGFIELD IL 62794-9479

1 217 524-4767 or 1 866 440-8680 (8:30 a.m. – 5:00 p.m.)



For questions regarding communications with the IRS, please see information available on the IRS web site.

## Section 3 – Enrollment Information: Electronic Filing and Electronic Funds Transfer

### Enrollment for Electronic Filing

All software developers must enroll to be accepted into the IL-1120 corporate income tax electronic filing program. Transmitters, electronic return originators, and taxpayers are not required to register for electronic filing.

To enroll for electronic filing, complete and sign Form IL-8633-B, Business Electronic Filing Enrollment, and mail to:

**ELECTRONIC FILING SECTION  
ILLINOIS DEPARTMENT OF REVENUE  
PO BOX 19479  
SPRINGFIELD IL 62794-9479**

Testing by software developers for the IL-1120 Modernized Electronic Filing program is recommended, but not mandatory.

### Enrollment for Electronic Funds Transfer (EFT)

Taxpayers who wish to pay by the EFT debit option, **independent of the electronic return filing**, and those who wish to pay by the EFT credit option, must enroll in IDOR's Electronic Funds Transfer Program. To enroll, Form EFT-1, Authorization Agreement for Electronic Funds Transfer, must be completed, signed and submitted. Form EFT-1 should be mailed along with the IL-8633-B to the address provided above. Form EFT-1 and the EFT Guide are available on our web site at [www.tax.illinois.gov](http://www.tax.illinois.gov).

**Note** → Taxpayers who wish to pay by the EFT debit option, **in conjunction with the electronic return filing**, are **not** required to enroll in our EFT Program. Instead, the taxpayer will transmit complete payment data within the return filing, including all banking information.

#### Where do I get forms?

You can get Form IL-8633-B by calling our Electronic Filing Section at 217-524-4767.

Form EFT-1 can be found at the end of this document or on our web site at

<http://www.revenue.state.il.us/taxforms/Other/Eft/EFT-1.pdf>

Form Electronic Funds Transfer Program guide can be found on our web site at

<http://tax.illinois.gov/Publications/ElectronicServices/eft8.pdf>

## Section 4 – Taxpayer Signature

The taxpayer signature requirement for Form IL-1120 is satisfied by including specific data in the transmission. A perjury statement phrase and a payment authorization phrase are included, along with required information regarding the authorized officer. Filing Form IL-8453, or any other signature authorization form, is not required.

By including the phrase in the transmission data for the perjury statement checkbox, the specified authorized officer is stating that they have examined the return, and to the best of their knowledge it is true, correct, and complete. They are also consenting to have their ERO or transmitter submit their return to IRS for retrieval by the IDOR. Further, they are authorizing the IDOR to inform their ERO or transmitter of the status of their return, including providing reasons for any rejects that may occur.

For signature approval, software developers must include an authorization statement for the user stating:

***By checking the box, I agree that I have examined the return, and to the best of my knowledge it is true, correct, and complete.***

If the user fails to check the box, the return should not be transmitted to the department.

For financial transaction approval, software developers must include an authorization statement for user stating that *The specified authorized officer is authorizing IDOR and related financial institutions to transact any debit payment information included in the transmission. In addition, the authorized officer also consents to allowing department personnel to discuss any problems transacting the debit with the ERO, transmitter, or financial institution.*

**Note** → The transmission information for signatures and debit authorizations is a signature data element named “AuthorizationStatement” and is located at the same level as forms and schedules. The transmission must return one of the following messages, depending on the user’s request:

- Jurat accepted, or
- Debit authorized, or
- Jurat statement accepted and debit authorized.

## Section 5 - Payment Options

### Payment by EFT

There are four EFT payment options available. Two of the four electronic payment options require enrollment in IDOR's EFT program (see Section 3 for enrollment information).

#### Option 1 - EFT Debit authorization included with an electronic return filing.

This option allows taxpayers to pay with the electronic return filing by including complete payment information within the return submission. Payment information is "warehoused" internally by IDOR until the payment date. Funds transfer from the payer's account on the payment date submitted by the payer, provided the filing/payment authorization is received and acknowledged by Illinois as accepted at least one banking business day before the payment date specified.

Payments allowed via MeF, either alone or at the time of return transmission, include IL-1120-ES, Corporation Estimated Income and Replacement Tax Payments (up to 4 allowed), IL-505-B, Automatic Extension Payment, and IL-1120-V, Corporation Income and Replacement Tax (annual return payment).

**Note** → IDOR will not process the debit authorization if an exact duplicate of the payment is already warehoused, or if the electronic return is acknowledged by Illinois as rejected.

#### Option 2 - Internet WebPay

This option allows taxpayers to pay certain withholding, sales, business income tax payments, and excise tax payments via our internet application. WebPay is a payment application only and you cannot file a tax return with this option.

Business income tax filers that make Form IL-1120 annual payments, estimated or extension payments may use this option by clicking here: <http://tax.illinois.gov/Businesses/webpaybusinesses.htm>

#### Option 3 - EFT Debit authorization using IDOR's existing EFT System.

This option allows taxpayers to pay independent of the electronic return filing by using the existing EFT System, and requires a toll-free phone call to the system each time you want to start a debit payment. Detailed instructions on using the debit option of the EFT System are provided after Form EFT-1 is submitted and processed.

#### Option 4 - EFT Credit using IDOR's existing EFT Program.

This option allows taxpayers to pay independent of the electronic return filing by contacting your financial institution each time you want to start a payment. Detailed instructions for initiating an ACH credit are provided after Form EFT-1 is submitted and processed.

#### Fedwire Emergency Backup

The Fedwire option is available through our existing EFT Program for emergency purposes only. If a payer is unable to initiate payment prior to the due date, Fedwire is the only electronic alternative available that may be used on the due date to make timely payment. IDOR must be notified prior to use of this option, and the payer's financial institution must initiate the Fedwire by 12:00 p.m. (noon, Central Standard Time) on the due date. For additional information, refer to IDOR's Electronic Funds Transfer Guide.

#### Payment by Check

Taxpayers who wish to pay by paper check, must submit payment along with a scannable payment voucher produced from their software.

#### Changing Payment Information

If a payer wants to change EFT debit authorization information transmitted in a return filing, the changes must be conveyed to IDOR no later than 11:00 a.m. (Central Standard Time) the banking business day **before** the payment date submitted by the payer in the return filing.

## Section 6 - Timeliness and Date Received of Return and Payment

### Return

Date received of the IL-1120 return is the date and time it was received by the IRS, provided the return is acknowledged as accepted by **both** the IRS and Illinois. To be considered **timely filed**, the IRS date and time received of an accepted Illinois return can be no later than 11:59 p.m. (Central Standard Time) on the extended due date of the return. If a return is accepted by the IRS, but acknowledged as rejected by Illinois, the return is considered **not** filed. If the rejected return is re-transmitted, the IRS date and time received of the re-transmission will be the received date and time for Illinois purposes. Re-transmitted returns are not considered filed unless they are acknowledged as accepted by Illinois.

Participants should assure that the return transmission to the IRS is started early enough to be completed **prior to** the end of the day (11:59 p.m. Central Standard Time) on the extended due date of the return. To avoid late filing, IDOR recommends that participants schedule transmissions to allow for timely correction and retransmission in the case of a rejected transaction.

### Payment

#### Option 1 – EFT Debit authorization included with an electronic return filing

Payment made using this method will be considered timely provided all of the following conditions are met:

- The received date of the electronic return with which the EFT debit payment is included is timely, and
- the debit payment date requested is no later than the due date. If the due date is not an available payment date, then your selected payment date must be no later than the next available business day after the due date, and,
- the debit payment authorization and the return with which it is included are both acknowledged as accepted by the department.

#### Option 2 –

Payment made using this method will be considered timely provided all of the following conditions are met:

- The debit payment must be initiated through the WebPay program on or before the payment due date, and
- the debit payment date requested is no later than the due date, and
- you must have a confirmation number verifying that the debit was accepted. Keep this number in your records for proof of timely payment.

#### Option 3 and Option 4 – EFT Debit or Credit using the department's existing EFT program.

Payments made using either of these methods will be considered timely provided all of the following conditions are met:

- The payment is initiated no later than the due date, and
- the payment date requested is no later than the due date. If a payment date of the due date is not available, then your selected payment date must be no later than the financial institution's next available business day after the due date, and
- the transfer of funds must be initiated on or before the due date and must not be returned by your financial institution.

**Special Note → Rejected returns and payments:** If you submit a payment (*i.e.*, debit request) with a return and the return is rejected, the payment request will not be processed. Depending on the timeframe and payment due date, you may need to find an alternate method of making the payment to ensure that it is received timely by the department.

## **Section 7 – Specifications and Illinois State Schema**

Due to the volume of data in the specifications, they are presented on our web site in both Excel and Open Office spreadsheet format. The link provided below will take you directly to the document. The spreadsheet includes the technical XML schema data and the business rules, along with the error codes and explanations.

<http://tax.illinois.gov/TaxProfessionals/ElectronicFiling/businessschema.htm>

## **Section 8 – Illinois Acknowledgment**

For information regarding the federal acknowledgement, visit the IRS web site and view Publication 4164, Modernized e-File (MeF) Guide for Software Developers And Transmitters, at:

<http://www.irs.gov/pub/irs-pdf/p4164.pdf>

# Section 9 – Scannable Payment Voucher

## Specifications for Form IL-1120-V

- All forms must be 3.625 inches high and 8.5 inches wide.
- The voucher must be at the bottom of the page, with the rest of the page blank.
- The scan line must start 3.5 inches from the left edge, and .25 - .375 inches from the bottom edge of the form.

- Test forms should be mailed to the following address:

**ILLINOIS DEPARTMENT OF REVENUE  
PO BOX 19008  
SPRINGFIELD IL 62794-9045**

- The IL-1120-V consists of the following:

### Form Content

- (1) Software/Forms Developer Identification Number
- (2) Federal Employers' Identification Number (FEIN)
- (3) Sequence Number (usually 000)
- (4) FEIN/Sequence Number Check Digit
- (5) Tax Year Ending Month
- (6) Tax Year Ending
- (7) Illinois Business Tax Number (IBT no.)
- (8) Business Name and Address
- (9) Preparer's phone number

### Note:

- The Liability Period is the last month and the last two digits (of the year) of the business accounting period.
- The Amount Paid field must contain 9 positions for dollars and 2 positions for cents. Use zeros to fill the field to left of the dollar amount.

### Scan Line Content

- (10) Form Code (always 11208) - (Positions 1-5)
- (11) Liability Period (mmyy) - (Positions 6-9)  
Space - (Position 10)
- (12) Form Code/Liability Period Check Digit - (Position 11)  
Space - (Position 12)
- (13) FEIN - (Positions 13-21)  
Space - (Position 22)
- (14) Sequence Number (usually 000) - (Positions 23-25)  
Space - (Position 26)
- (15) FEIN/Sequence Number Check Digit - (Position 27) Space - (Position 28)
- (16) Amount paid - (Positions 29-39)



Illinois Department of Revenue

**IL-1120-V**

IL-1120-V (R-10/08) ID: 1234 (1)

**Payment Voucher for Corporation  
Income and Replacement Tax**

**2009**

FEIN **36-2603598 000 8**  
(2) (3)(4)

Mail to: Illinois Department of Revenue, P.O. Box 19008, Springfield, IL 62794

IBT **(7)234-5678**

(5) Tax year ending (6)

**Anybody's Plumbing and Heating**  
**1234 Anywhere Blvd** (8)  
**Anywhere, IL 12345-1234**

Make sure the Business Name, FEIN,  
and Payment amount are correct.

**12** **05**  
Month Year

\$ \_\_\_\_\_ . \_\_\_\_\_

WRITE YOUR FEIN ON YOUR CHECK Print your payment amount on this line.

(9)

Preparer's Phone Number \_\_\_\_\_

(10) (11) (12) (13) (14)(15) (16)  
1112081204 6 362603598 000 8 999999999999



# EFT-1 Authorization Agreement for Electronic Funds Transfer

## Step 1: Check the reason you are completing Form EFT-1

Initial set up

Change(s) to previously submitted information\*

Effective date of change: \_\_\_/\_\_\_/\_\_\_

\*Specify change \_\_\_\_\_

## Step 2: Identify the taxpayer

1 Taxpayer's name \_\_\_\_\_

2 Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

3 Federal employer identification number (FEIN) \_\_\_\_\_

4 Illinois account number \_\_\_\_\_

5 Social Security number (SSN) \_\_\_\_\_

## Step 3: Complete designated agent information - Only if a designated agent will be making payments.

6 Designated agent's name \_\_\_\_\_

7 Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

8 Contact person's name \_\_\_\_\_

9 Telephone (\_\_\_\_\_) \_\_\_\_\_ Fax (\_\_\_\_\_) \_\_\_\_\_

10 Signature authorization for EFT Program (Authorized officer of designated agent) \_\_\_\_\_

## Step 4: Identify your EFT contact person

11 Contact person's name - Please print \_\_\_\_\_

12 E-mail address \_\_\_\_\_

13 Telephone (\_\_\_\_\_) \_\_\_\_\_ Fax (\_\_\_\_\_) \_\_\_\_\_

## Step 5: Check your ACH option

Debit (telephone system only) - see instructions

Credit - Go to Step 6.

14 Financial institution's name \_\_\_\_\_

17 Account type:  Business or  Individual/Consumer  
 Checking or  Savings

15 Name on account \_\_\_\_\_

16 Account number \_\_\_\_\_

18 Routing transit number \_\_\_\_\_

## Step 6: Check the authorized payments

Business income tax  IL-1120-ES  IL-1023-CES

IL-505-B  IL-1120\*\*

Electricity dist. & invested capital  ICT-1  ICT-4

Gas revenue and gas use tax  RPU-50  RG-1

**\*\*IL-1120 annual payments can only be made by ACH credit or internet**

Withholding income tax  IL-501  IL-941

Electricity excise tax  RPU-50  RPU-13

Individual income tax  IL-1040-ES  IL-505-I

Telecom taxes - state & local  RPU-50  RT-2

Sales, service and use tax  RR-3  ST-1

Telecom infrastructure maint. fee  RT-10

Motor vehicle renting tax  ART-1

Tobacco products tax  TP-1

Chicago soft drink tax  ST-14

Cigarette tax (ACH debit option only)  RC-1-A

County motor fuel tax  CMFT-1

Hotel tax  RHM-1

MPEA food & beverage tax  ST-4

Liquor tax  RL-26

Prepaid sales tax (motor fuel)  PST-3  PST-1

Liquor airline tax  RL-26-A

## Step 7: Sign and complete

Under penalties of perjury, I state that I have examined this form and to the best of my knowledge it is true, correct, and complete. The Illinois Department of Revenue is authorized to use this information in accordance with the Department of Revenue Law of the Civil Administrative Code of Illinois and all applicable Illinois tax acts. This agreement shall remain in force until the department receives written notification from the taxpayer.

Signature of taxpayer, authorized officer, or partner \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_/\_\_\_/\_\_\_

# Form EFT-1 Instructions

## General Information

### What if I need help?

If you need assistance, please see Booklet EFT-8, Electronic Funds Transfer Guide, for more information. If you prefer, you may call our Springfield office weekdays between 7:45 a.m. and 4:15 p.m. at **1 800 732-8866, 217 782-3336**, or **1 800 544-5304**, our TDD (telecommunications device for the deaf). You also may visit our web site at [tax.illinois.gov](http://tax.illinois.gov) or write to us at

**ELECTRONIC FUNDS TRANSFER DIVISION  
ILLINOIS DEPARTMENT OF REVENUE  
PO BOX 19015  
SPRINGFIELD IL 62794-9015**

### Can I use EFT to make all my tax payments?

The payments listed in Step 6 can be made electronically using EFT. If you choose the ACH debit option (where we debit your account), you must complete a separate Form EFT-1 for each account from which you will make payments.

## Specific Instructions

### Step 1: Check the reason you are completing Form EFT-1

Check whether this is an initial registration to authorize Electronic Funds Transfer (EFT) or changing information provided previously.

To keep registration information up-to-date, specify any financial or business information changes (*e.g.*, name, address, telephone, account and routing numbers). Include the effective date for the change(s). Attach additional sheets if necessary.

### Step 2: Identify the taxpayer

Provide the following taxpayer information

- Name and address
- Federal employer identification number (FEIN)
- Illinois business tax number (IBT no.)
- Social Security number (SSN) if paying Illinois individual income taxes by EFT.

### Step 3: Complete designated agent information

If a designated agent will be transferring payments, complete Step 3. If the designated agent is completing Form EFT-1 on behalf of a taxpayer, the taxpayer must sign Step 7, unless a signed Form IL-2848-E is kept in the designated agent's books and records.

**Note** If the ACH debit option will be used and the bank account is the designated agent's, an authorized officer of the agent must sign in Step 3, Line 10 to authorize us to debit that account.

### Step 4: Identify your EFT contact person

An EFT contact person should be the person who will be initiating and making the payment transfer. Include the telephone, fax and e-mail address (if applicable).

### Step 5: Check your ACH option

**ACH credit option** - an electronic transfer where you authorize your financial institution to withdraw from your account and deposit into our account using your financial institution's system. Detailed instructions will be forwarded when your Form EFT-1 is processed.

**Note** Contact your financial institution for the ACH services available and fees that may be associated.

**ACH debit option** - an electronic transfer of funds from your account into our account. You authorize our agent to initiate the transaction on the date that you select. Detailed instructions will be forwarded when your Form EFT-1 is processed.

**Note** At this time we are unable to process Form IL-1120 annual return payments, including Form IL-1120-V, Voucher Payment, through the ACH debit option.

**Internet option** - we have developed internet applications that allow you to make your payments electronically via the internet. However, not all of the internet applications listed below require the completion of Form EFT-1. We currently provide applications for

- Individual income tax (IL-1040-ES & IL-505-I)
- Business income tax (IL-1120-ES, IL-1023-CES, IL-505-B, and IL-1120)
- Sales, service and use tax (ST-1)
- Withholding income tax (IL-501)
- Gas tax (RLG-1 & RPU-50)
- Telecommunications tax (RT-2 & RPU-50)
- Rental housing support program surcharge
- Tobacco tax (TP-1)
- Liquor direct wine shippers (RL-26-W)
- Coin-operated amusement device tax (RCOA-1)
- Electricity excise tax (RPU-13 & RPU-50)
- Assistance charges for gas and electric (RPU-6 & RG-6)
- Telecommunications infrastructure maintenance fee (RT-10)

**Note** Please see the specific web application to determine whether or not you must complete Form EFT-1.

**Note** Visit our web site for new applications at [tax.illinois.gov](http://tax.illinois.gov).

### Step 6: Check the authorized payments

Check which payments and fees you will pay by EFT.

### Step 7: Sign and complete

The signature of the taxpayer, authorized officer, or partner is required, as well as the title and date (even if you are using a designated agent). Fax Form EFT-1 at **217 524-8282** or mail Form EFT-1 to

**ELECTRONIC FUNDS TRANSFER DIVISION  
ILLINOIS DEPARTMENT OF REVENUE  
PO BOX 19015  
SPRINGFIELD IL 62794-9015**