



2025 Subgroup Schedule Instructions (UB)

What's New?

The Subgroup Schedule has been reformatted for more efficient processing. Changes include:

- Pre-printed “.00” cent amounts have been removed from all fields. As a result, cents should not be included when completing the Subgroup Schedule.
- Entry lines that were marked with a diamond have now been converted to text boxes.
- Many fields have been lengthened to accommodate larger numbers.

The instructions have been updated to include information regarding subgroup members not taxable in Illinois.

General Information

Illinois statutes, public acts, and administrative code may be found at the Illinois General Assembly's website at: <https://ilga.gov>.

Complete a separate Subgroup Schedule for each Insurance Company Subgroup, Financial Organization Subgroup, Regulated Exchange Subgroup, and Transportation Company Subgroup. Use the Subgroup Schedule to determine the amounts to enter on Schedule UB, Combined Apportionment for Unitary Business Group, Step 4, Lines 2 and 3 for each member of that subgroup. Attach all Subgroup Schedules to the Schedule UB.

Do not complete a separate Subgroup Schedule for Sales Subgroups. Also, do not complete a separate Form IL-1120, Corporation Income and Replacement Tax Return, for each subgroup when applying the subgroup method. List all members from each subgroup on Schedule UB, Steps 1, 2, 3 and 4. Failure to follow these instructions may cause processing delays or result in additional correspondence from the department.

Only groups that include members who use different apportionment formulas are required to apply the subgroup method.

Illinois non-taxable members (members not taxable in Illinois) of the subgroup should be included on the Subgroup Schedule as if taxable in Illinois. See the Specific Instructions for additional information.

Note: Entities subject to Illinois Income Tax Act (IITA) Section 304(a) calculate total everywhere sales and total Illinois sales as if the subgroup method does not apply. See Schedule UB instructions, Step 4, Lines 2 and 3 for additional information.

When is a unitary partnership included on a Subgroup Schedule?

If the unitary partnership is

- an insurance company (IITA Section 304(b)),
- a financial organization (IITA Section 304(c)),
- a federally regulated exchange (IITA Section 304(c-1)), or
- a transportation company (IITA Section 304(d)),

and does not use the single sales formula to apportion its business income per IITA Section 304(a), you must ask:

“Is the unitary partnership required to be included on Schedule UB because the members of the unitary group own or control more than 90 percent of all the interest in the partnership?”

- **YES** - Then the unitary partnership must be included on the Subgroup Schedule as its own member along with the other members of the subgroup.
- **NO** - Then the distributive shares from the unitary partnership must be incorporated on the Subgroup Schedule as follows:
 - If the unitary partnership and the owning partner use the **SAME apportionment formula**, the partner must then add the distributive share of the partnership's sales everywhere and Illinois sales to its own sales on the Subgroup Schedule.
 - If the unitary partnership and the owning partner use a **DIFFERENT apportionment formula**, the partnership must then calculate its sales everywhere and Illinois sales on the applicable subgroup schedule using only the owning partner's distributive shares. Then the partner will add the partnership's calculated figures to its own sales when entering them on the Schedule UB.

When is a unitary partnership not included on a Subgroup Schedule?

If a unitary partnership apportions its business income using the single sales formula under IITA Section 304(a), do not include the owning partner's distributive share of the partnership's apportionment factors on the subgroup schedule as no calculation is needed for single sales entities. The partner will add the partnership's sales everywhere and Illinois sales to its own sales when entering them on the Schedule UB. See "Partnership requirements" and Step 4, Lines 2 and 3, of the Schedule UB Instructions for information on how to report an IITA Section 304(a) partnership on Schedule UB.

For more information about unitary partnerships, see 86 Ill. Adm. Code Section 100.3380.

Should I round?

You must round the dollar amounts on the Subgroup Schedule to whole-dollar amounts. To do this, you should drop any amount less than 50 cents and increase any amount of 50 cents or more to the next higher dollar.

Note: The pre-printed ".00" cent amounts have been removed from all fields on the Subgroup Schedule. Do not include cents when completing Schedule UB.

What if I need additional assistance or forms?

- For assistance, forms, or schedules, visit our website at tax.illinois.gov or scan the QR code provided.
- Write us at:
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19001
SPRINGFIELD IL 62794-9001
- Call **1 800 732-8866** or **217 782-3336** (TTY at **1 800 544-5304**).
- Visit a taxpayer assistance office - 8:00 a.m. to 5:00 p.m. (Springfield) and 8:30 a.m. to 5:00 p.m. (all other offices), Monday - Friday.



Specific Instructions

Step 1- Check only one box to indicate the type of subgroup to which the members listed in Step 2 of the schedule belong. If you use additional schedules for the same type of subgroup, check the applicable box on each successive schedule.

Step 2- Enter the FEIN for each member of the subgroup.

Note: Illinois non-taxable members of the subgroup must be included on the Subgroup Schedule. Complete the lines in Step 2 as if taxable in Illinois.

Line 1 – For each member, enter the total sales everywhere, according to 86 Ill. Adm. Code Sections 100.3370 and 100.3380, in Columns A, B, and C. If you have more than 3 members in your subgroup, use additional schedules and add Columns A through C of all your schedules and enter the result in Column D. Otherwise, total Columns A, B, and C and enter the result in Column D.

On Schedule UB, Step 4, Line 2, enter each member's Line 1 amount, plus the member's distributive share of the everywhere sales of any IITA Section 304(a) unitary partnership and any unitary partnership included on a different Subgroup Schedule.

The term 'sales' is defined under IITA Section 1501(a)(21) to mean all gross receipts included in your business income and not otherwise excluded under the IITA or 86 Ill. Adm. Code Sections 100.3370 and 100.3380. This is the amount of gross receipts of the member that would be included in the computation of the group's combined business income reported on Schedule UB, Step 4, Line 1, Column D, if that member was required to determine the denominator of its sales factor under 86 Ill. Adm. Code Sections 100.3370 and 100.3380. Do not include receipts that are eliminated as a result of an intercompany transaction with any member of your unitary business group. For example, in the case of an insurance subgroup member, Line 1 includes all gross receipts of the insurance company included in its apportionable business income (and not merely its direct premiums). Similarly, in the case of a transportation company, Line 1 includes all gross receipts of the transportation company included in its apportionable business income (and not merely its business income from furnishing transportation services).

Note: Line 1, Columns A through D, cannot be less than zero.

Line 2 – For each member, enter the amount the member would have computed as the numerator of its apportionment factor applying the member's applicable apportionment factor under IITA Section 304. Do not include receipts that are eliminated as a result of an intercompany transaction with any member of your unitary business group.

If you are a transportation subgroup and one or more of your subgroup members provides transportation services by airline, enter the amount determined by multiplying the member's gross receipts from transportation by air by the member's apportionment factor determined by the revenue miles formula for transportation by air. If one or more of your transportation subgroup members provides transportation services by airlines and by other means, use the weighted average method set forth in 86 Ill. Adm. Code Section 100.3450(d) in order to determine the amount to enter on Line 2 for such member.

Illinois non-taxable members of the subgroup should compute the numerator of the apportionment factor as if taxable in Illinois.

Note: Line 2, Columns A through C, cannot be less than zero.

Line 3 – For each member, enter the amount the member would have computed as the denominator of its apportionment factor applying the member’s applicable apportionment factor under IITA Section 304. For example, in the case of an insurance subgroup member, Line 3 would include only receipts from direct premiums written for insurance and premiums written for reinsurance if the member’s principal source of premiums written consists of premiums written for reinsurance. Similarly, in the case of a transportation company, Line 3 would include receipts directly associated with its transportation services. Do not include receipts that are eliminated as a result of an intercompany transaction with any member of your unitary business group.

Enter the total of Columns A through C in Column D. If you have more than 3 members in your subgroup, use additional schedules and add Columns A through C of all your schedules and enter the result in Column D. If you are a transportation subgroup and one or more of your subgroup members provides transportation services by airline, enter on Line 3 the member’s total gross receipts from providing transportation services by airline.

Note: Line 3, Columns A through D, cannot be less than zero.

Line 4 – Divide Line 2 of each Column by Line 3, Column D (round to the sixth decimal place).

Line 5 – Multiply Line 4 of each Column by Line 1, Column D. This is the member’s Illinois sales under the subgroup method.

On Schedule UB, Step 4, Line 3, enter this amount, plus the member’s distributive share of the Illinois sales of any IITA Section 304(a) unitary partnership and any unitary partnership included on a different Subgroup Schedule.

For Illinois non-taxable members of the subgroup, enter “0” on Schedule UB, Step 4, Line 3. The Line 5 amount computed as sales inside Illinois for Illinois non-taxable members of the subgroup is allocated among all Illinois taxable members of the unitary business group. See the Allocation Worksheet in the Schedule UB instructions for additional information.

For more information, see the example on Page 4 and 86 Ill. Adm. Code Section 100.3600.

EXAMPLE

Note that the everywhere sales of the insurance and transportation companies on Line 1 exceed the denominators of those companies' apportionment formulas on Line 3. The denominators of insurance companies under IITA Section 304(b) include only premiums. The denominators of transportation companies under IITA Section 304(d) include only income from transportation services. The everywhere sales of those companies under IITA Section 304(a)(3)(A) include all gross business receipts of those companies, except amounts specifically excluded from the sales factor under 86 Ill. Adm. Code Sections 100.3370 and 100.3380. In the case of an insurance company, direct premiums, premiums for reinsurance, interest, gross rental income and net gains or losses on sales of intangibles in the regular course of business would all be included in the sales factor denominator of an insurance company under IITA Section 304(a)(3)(A). These items must be included in everywhere sales on Line 1 of the Subgroup Schedule. Line 3 of the Subgroup Schedule includes only the insurance company's direct premiums everywhere as determined under IITA Section 304(b).

Examples of Step 2 of Subgroup Schedules

Insurance Companies Subgroup Schedule - Subgroup Schedule #1

Step 2: Determine your subgroup apportionment factor

	A	B	C	D
	11 - 1111111 FEIN	22 - 2222222 FEIN	- FEIN	Total
1 Enter the sales everywhere.	\$250	\$450		1 \$700
2 Section 304 Numerator	\$3	\$6		
3 Section 304 Denominator	\$50	\$100		3 \$150
4 Divide Line 2 of each Column by Line 3, Column D. Round to six decimal places.	0.02	0.04		
5 Sales inside Illinois. Multiply Line 4 of each Column by Line 1, Column D.	\$14	\$28		

Sales Companies - No Subgroup Schedule for FEINs 33-3333333 and 44-4444444

Transportation Companies Subgroup Schedule - Subgroup Schedule #2

Step 2: Determine your subgroup apportionment factor

	A	B	C	D
	55 - 5555555 FEIN	66 - 6666666 FEIN	- FEIN	Total
1 Enter the sales everywhere.	\$300	\$700		1 \$1,000
2 Section 304 Numerator	\$5	\$8		
3 Section 304 Denominator	\$25	\$175		3 \$200
4 Divide Line 2 of each Column by Line 3, Column D. Round to six decimal places.	0.025	0.04		
5 Sales inside Illinois. Multiply Line 4 of each Column by Line 1, Column D.	\$25	\$40		

The example is continued on next page.

Examples of Apportionment Lines from Step 4 of Schedule UB

Schedule UB, Step 4 - #1

From Subgroup #1

A		B		C	D
11 - 1111111		22 - 2222222		33 - 3333333	Combined totals
FEIN		FEIN		FEIN	

2 Enter the net sales everywhere.	\$250	\$450	\$100	2 See Sched. UB #2
3 Enter the net sales inside Illinois.	\$14	\$28	\$10	3 See Sched. UB #2
4 Apportionment factor Divide Line 3 of each Column by Line 2, Column D . (Round to six decimal places.)	0.007	0.014	0.005	4 See Sched. UB #2

Schedule UB, Step 4 - #2

From Subgroup #2

A	B		C	D
44 - 4444444	55 - 5555555		66 - 6666666	Combined totals
FEIN	FEIN		FEIN	

2 Enter the net sales everywhere.	\$200	\$300	\$700	2 \$2,000
3 Enter the net sales inside Illinois.	\$25	\$25	\$40	3 \$142
4 Apportionment factor Divide Line 3 of each Column by Line 2, Column D . (Round to six decimal places.)	0.0125	0.0125	0.02	4 0.071

Example of Apportionment Lines from Step 4 of Form IL-1120

28 Total sales everywhere. This amount cannot be negative.	28 \$2,000
29 Total sales inside Illinois. This amount cannot be negative.	29 \$142
30 Apportionment Factor. Divide Line 29 by Line 28. Round to six decimal places.	30 0.071