



Schedule J Foreign Dividends

Attach to your Form IL-1120

Year ending

Month Year

Name as shown on your Form IL-1120

Federal employer identification number (FEIN)

Part I: Figure your subtraction

Read the General Information on the back before completing this schedule.

You must use your U.S. Schedule C to complete Columns A and B. If you did not file a U.S. 1120, Schedule C, use the corresponding lines from the federal schedule you filed (see the list under "What must I attach to Schedule J?"). If you had an IRC limitation, complete Column A, then refer to Part II on the back for the correct amounts to write in Column B, Lines 1 through 4. Do not include any dividends received from a domestic corporation.

| | A Foreign dividends received <small>(U.S. Schedule C, Column (a))</small> | B Federal special deduction <small>(U.S. Schedule C, Column (c))</small> | C Net amount <small>(A minus B)</small> | D Illinois percentage | E Foreign dividend subtraction <small>(multiply C X D)</small> |
|--|--|---|--|---------------------------------|---|
| 1 Write the amount from Line 6. | _____ | _____ | _____ X * 70% (.70) = | 1 | _____ |
| 2 Write the portion of Line 7 that is from 80% or greater owned foreign corporations. | _____ | _____ | _____ X 100% (1.00) = | 2 | _____ |
| 3 Write the portion of Line 7 that is from less than 80% owned foreign corporations. | _____ | _____ | _____ X * 70% (.70) = | 3 | _____ |
| 4 Write the amount from Line 8. | _____ | _____ | _____ X 100% (1.00) = | 4 | _____ |
| 5 Write the portion of Line 13 that is from 80% or greater owned foreign corporations. | _____ | _____ | _____ X 100% (1.00) = | 5 | _____ |
| 6 Write the portion of Line 13 that is from less than 80% owned foreign corporations. | _____ | _____ | _____ X * 70% (.70) = | 6 | _____ |
| 7 Write the portion of Line 14 that is from 80% or greater owned foreign corporations. | _____ | _____ | _____ X 100% (1.00) = | 7 | _____ |
| 8 Write the portion of Line 14 that is from less than 80% owned foreign corporations. | _____ | _____ | _____ X * 70% (.70) = | 8 | _____ |
| 9 Add the amounts in Column E and write the total here. | | | | 9 | _____ |
| 10 Write the amount of IRC, Section 78, foreign dividend gross-up from your U.S. Schedule C, Line 15. | | | | 10 | _____ |
| 11 Add Lines 9 and 10. Write the result here and on Form IL-1120, Part I, Line 5f. This is your total foreign dividend subtraction. | | | | 11 | _____ |

* **Note:** For tax years ending prior to 1/1/93, use 85% (.85).

Schedule J Instructions

General Information

What is the purpose of Schedule J?

The purpose of Schedule J is to allow you to claim a subtraction on your Form IL-1120 for dividends received from a foreign corporation. A foreign corporation is any corporation not created or organized under the laws of the United States or any state or political subdivision thereof. The term "United States" includes only the 50 states and the District of Columbia.

What if I am a member of a unitary business group?

If you are a member of a unitary business group filing an Illinois combined return, you

must complete one Schedule J for the entire group as though you are one taxpayer. U.S. Schedule C must be completed based on the dividends of all members of the unitary group included in the Illinois combined return.

Note: If your tax year ending is prior to December 31, 1993, and you are filing Illinois separate unitary returns, you must complete a separate Schedule J for each member filing Form IL-1120.

What must I attach to Schedule J?

If you filed a U.S.

- 1120, 1120F, or 1120-PC, you must attach a copy of your U.S. Schedule C.
- 1120L, you must attach a copy of your U.S. Schedule A.
- 1120-FSC, you must attach a copy of your U.S. Schedule F and worksheet for Line 9.

- 1120-H or 1120-POL, you must attach a copy of Page 1 of that form with details of Line 1.

What if I need additional assistance?

If you need further information you may write to Illinois Department of Revenue, P.O. Box 19044, Springfield, IL 62794-9044. If you prefer, you may call 1 800 732-8866, 217 782-3336, or the TDD-telecommunications device for the deaf 1 800 544-5304.

Part II: Complete only if you had an IRC limitation

You must complete Part II if the amount on U.S. Schedule C, Line 9, is less than the total of the amounts on U.S. Schedule C, Column (c), Lines 1 through 8, due to the IRC limitation (see U.S. Schedule C, Line 9, Column (c) instructions.)

- 1 Write the amount from U.S. Schedule C, Line 9. 1 _____
- 2 Add the amounts on U.S. Schedule C, Column (c), Lines 1 through 8. Write the total here. 2 _____
- 3 Divide Line 1 by Line 2 (carry to six decimal places). Write the result here and on Column B, Lines 4 through 7, below. 3 _____

| | A | | B | | C |
|---|---------------------------|---|---------------------------|---|--|
| | Federal special deduction | | Decimal from Line 3 above | | Limited federal special deduction (multiply A X B) |
| 4 Write the amount from U.S. Schedule C, Column (c), Line 6. | _____ | X | _____ | = | 4 _____ |
| 5 Write the portion of U.S. Schedule C, Column (c), Line 7, that is from 80% or greater owned foreign corporations. | _____ | X | _____ | = | 5 _____ |
| 6 Write the portion of U.S. Schedule C, Column (c), Line 7, that is from less than 80% owned foreign corporations. | _____ | X | _____ | = | 6 _____ |
| 7 Write the amount from U.S. Schedule C, Column (c), Line 8. | _____ | X | _____ | = | 7 _____ |

Write the amounts on Column C, Lines 4 through 7, on Part I, Column B, Lines 1 through 4, and complete Part I.

