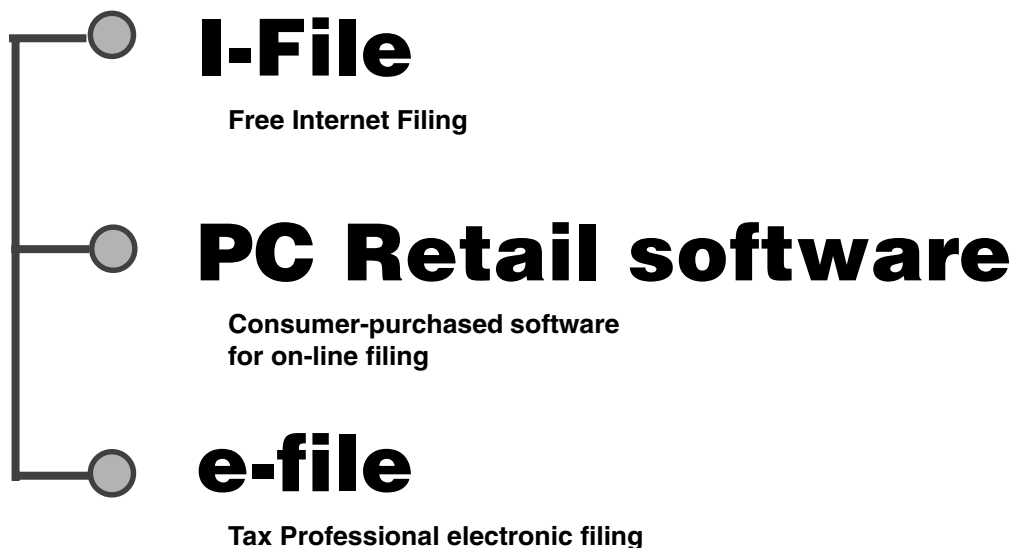




Illinois offers you *different methods* to electronically file!



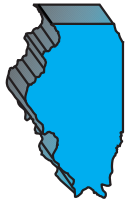
Here's how it works.

- File using one of the above methods.
- Choose to directly deposit your refund into your account
- Receive it in about **10** days.

If you owe tax, you have the option to pay by phone using
MasterCard, Discover, or American Express

Call 1 888 2PAYTAX

(See Page 17 before making your call.)



Pick a method,
meet the criteria,
and file.

I-File 

You may file by Internet if:

- ✓ you were an Illinois resident for all of 1999.
- ✓ your filing status is the same as it was on your 1998 return.
- ✓ your name is the same as it was on your 1998 return.
- ✓ neither you, nor your spouse if filing jointly, is 65 or older or legally blind.
- ✓ you did not make estimated payments (IL-1040-ES) or extension payments (IL-505-I) that will apply to your 1999 tax; and you did not apply your 1998 overpayment to your 1999 estimated tax.
- ✓ your only subtraction is the Illinois Income Tax refund, which is included on your U.S. 1040, Line 10.
- ✓ your only credit will be the Illinois Property Tax credit.

You may file on the Internet January 13 through April 17 at www.revenue.state.il.us.

e-file

You may file electronically through your tax professional if:

- ✓ you do not have an entry on Line 9, 19, 21, or 25.

**You must use a tax professional who participates in the Illinois Electronic Filing Program.
You may e-File January 14 through August 15.**

PC retail software 

You may file on-line using software if:

- ✓ you do not have an entry on Line 9, 19, 21, or 25.

You may file through retail software January 14 through August 15.

Paper

You may file by paper using Form IL-1040.



Need IL-PIN INFORMATION

If you received your booklet in the mail, your IL-PIN is printed at the top of the Form IL-1040.

If you did not receive a booklet in the mail and you choose to file through the Internet using I-File or retail software, call 1 800 732-8866 to see if an IL-PIN has been assigned to you. Please have your driver's license available when you make this call.

Table of Contents

General Information

Who is an Illinois resident?	4
Who must file an Illinois tax return?	4
How may I file?	5
What is Illinois income?	5
When should I file?	5
Will I owe penalties?	5
Will I owe interest?	6
What if I cannot pay?	6
Should I round?	6
Should I file an amended return?	6
What if I employ household employees?	6

Step-by-Step Instructions

Social Security number	7
Name and address	7
Filing a decedent's return	7
Filing status	7
Farmers	7
Adjusted gross income	8
Federally tax-exempt income	8
Other additions to income	8
Social Security and retirement income	8
Military pay	9
Illinois Income Tax refund	9
U.S. government obligations	9
Other subtractions to income	10 - 11
Illinois exemption allowance	11 - 13
Nonresidents and part-year residents	13
Tax	13
Schedule 4255 Recapture Worksheet	14
Illinois Income Tax withheld	14
Estimated tax payments	14
Credit for tax paid to another state	14
Credit for Illinois Property Tax	14 - 15
Credit from Schedule 1299-C	15
Late-payment penalty	16
Voluntary contributions	16
School district donation	16

Read
What's New

What's New for Tax Year 1999 (This year)

- ▶ Taxpayers who receive a booklet in the mail and use the paper Form IL-1040, must **write** their Social Security numbers at the top of their form before completing their return. Previously, this was preprinted for them.
- ▶ Taxpayers who receive a booklet in the mail will find a preprinted Illinois Personal Identification Number (IL-PIN) on their Form IL-1040. Do not confuse this 8-digit IL-PIN with the 9-digit Social Security number. Taxpayers must use an IL-PIN to file their 1999 return through I-File or retail software.
- ▶ Taxpayers filing electronically through I-File, e-File, or retail software will have the opportunity to deposit their refund directly into their checking or savings account.
- ▶ Taxpayers with an amount due can now pay by phone using a credit card.
- ▶ Taxpayers and their dependents will receive an increased standard exemption allowance this year. The standard exemption allowance for tax year **1999** is **\$1,650**.

See Step-by-Step Instructions for more details.

What's New for Tax Year 2000 (Next Year)

- ▶ Taxpayers and their dependents will receive an increased standard exemption allowance next year. The standard exemption allowance for tax year **2000** will be **\$2,000**.
- ▶ Taxpayers may take a credit on their 2000 income tax return for education expenses equal to 25 percent of the "qualified education expenses" for their family. "Qualified education expenses" are costs greater than \$250 that the taxpayer paid for tuition, book fees, and lab fees at the school where their students, attending kindergarten through 12th grade, are enrolled. The credit cannot exceed \$500 per family **and cannot** exceed the total tax.

You will receive complete information about this credit in next year's booklet.

Illinois and Indiana Residents



If you are an Illinois resident and you worked in Indiana during 1999, you must file a Form IL-1040, Illinois Individual Income Tax Return. Compensation you received from your Indiana employer is taxed by Indiana. However, you remain subject to Illinois Income Tax because you are an Illinois resident. Illinois Income Tax should no longer be withheld from your pay.

When you file your Form IL-1040, you may be allowed a credit for the tax you paid to Indiana. You must first complete and file an Indiana Income Tax Return. Then, complete an Illinois Schedule CR, Credit for Taxes Paid to Other States, and attach both the Schedule CR and a copy of your Indiana return to your Form IL-1040.



If you are an Indiana resident and you worked in Illinois during 1999, you must file a Form IL-1040, Individual Income Tax Return, with a Schedule NR, Nonresident and Part-Year Resident Computation of Illinois Tax. You are required to pay Illinois Income Tax on compensation you received from your Illinois employer. All compensation you received in Illinois is subject to withholding of Illinois Income Tax.

When you file your Form IL-1040, attach a completed Schedule NR to your return. Schedule NR allows you to calculate the correct amount of income tax that you must pay on any income earned in Illinois.

General Information

? Who is an Illinois resident?

You are an Illinois resident if you were domiciled in Illinois for the entire tax year. Your domicile is the place where you resided and the place where you intend to return after temporary absences. Temporary absences may include active duty in the U.S. Armed Forces, residence in a foreign country, out-of-state residence as a student, or out-of-state residence during the winter or summer. If you are absent from Illinois for one year or more, we will presume you are a nonresident of Illinois. However, this nonresident status is not definite and may be changed if you supply satisfactory evidence.

? Who must file an Illinois tax return?

If you were

- **an Illinois resident taxpayer**, you must file Form IL-1040 if
 - you filed a federal income tax return (U.S. 1040, 1040A, 1040EZ, or TeleFile);
 - you were not required to file a federal income tax return, but your Illinois base income, Line 11, was greater than your Illinois exemption allowance on Line 12; or
 - you are claimed on your parents' or another person's return and your Illinois base income, Line 11, is greater than your Illinois exemption allowance on Line 12.
- **an Illinois resident taxpayer and worked in Iowa, Kentucky, Michigan, or Wisconsin**, you must file Form IL-1040 and include as Illinois income any compensation you received from an employer in these states. Compensation paid to Illinois residents working in these states is taxed by Illinois. Based on reciprocal agreements negotiated between Illinois and these states, these states do not tax the compensation of Illinois residents.

If your employer in any of these states withheld that state's tax from your compensation, you may claim a refund of that state's tax withheld by filing the correct form with that state. You may not claim tax withheld by an employer in these states as a credit on your Illinois return.

- **a retired Illinois resident taxpayer** and filed a federal return, you must file Form IL-1040. However, certain types of retirement income (*e.g.*, pension, Social Security) are not taxed by Illinois. Read the instructions for Line 5 to see what types of retirement income you may subtract.
- **a part-year resident taxpayer** (*i.e.*, you were an Illinois resident for a part but not all of the tax year), you must file Form IL-1040 with Schedule NR, Nonresident and Part-Year Resident Computation of Illinois Tax, if
 - you earned income from any source while you were a resident,
 - you earned income from Illinois sources while you were not a resident, or
 - Illinois Income Tax was withheld from your pay.
- **a nonresident taxpayer** (*i.e.*, you were not a resident of Illinois), you must file Form IL-1040 with Schedule NR if
 - you earned income from Illinois sources, or
 - Illinois Income Tax was withheld from your pay.
- **an Iowa, Kentucky, Michigan, or Wisconsin resident and worked in Illinois**, you must file Form IL-1040 with Schedule NR if
 - you received income in Illinois from sources other than wages, salaries, tips, and commissions (you must pay tax on this income regardless of residency), or
 - you want a refund of any Illinois Income Tax withheld.

If you received compensation from Illinois employers, you are not required to pay Illinois Income Tax on this income. This is based on reciprocal agreements negotiated between Illinois and these states and applies only to compensation you received from wages, salaries, tips, and commissions.

The reciprocal agreements do not apply to any other income you might have received, such as Illinois lottery winnings.

- **claimed as a dependent on your parents' or another person's return**, you may not be exempt from tax. You must file Form IL-1040 if
 - your Illinois base income, Line 11, is greater than \$1,650, or
 - your Illinois base income, Line 11, is \$1,650 or less and you want a refund of Illinois Income Tax withheld from your pay.

If your parent claimed your interest and dividend income through U.S. Form 8814, do not file your own Form IL-1040.

- **the surviving spouse or representative of a deceased taxpayer**, you must file a return for the taxpayer who died during the taxable year. Please refer to the special instructions in the Step-by-Step Instructions, Step 1, Line B, "How do I file a decedent's return?"
- **a student**, you are not exempt from tax, nor are there special residency provisions for you. However, income that is not taxable under federal income tax law, such as certain scholarships or fellowships, is also not taxed by Illinois.
- **a nonresident alien taxpayer**, you are not exempt from tax. However, income that is not taxable under federal income tax law, such as foreign treaty income, is also not taxed by Illinois. You must attach a complete copy of your U.S. 1040NR or U.S. 1040NR-EZ.

Even if you are not required to file Form IL-1040, you must file to get a refund of any Illinois Income Tax withheld from your pay or any estimated tax payments you made.

? How may I file?

You may file your return electronically or you may file your return by using the paper Form IL-1040. To file your return electronically, you must meet certain criteria. See Page 2 for specific electronic filing requirements. If you want to receive your refund in about 10 days, choose to file your return electronically and have your refund directly deposited into your checking or savings account.

Note → Computer generated forms **must be** approved by the department. Check your software information or ask your software vendor to insure that the software you use generates acceptable forms.

? What is Illinois income?

Your Illinois income includes the adjusted gross income amount figured on your federal return, plus any federally tax-exempt income that must be added on Line 2 and other Illinois additions on Line 3. Some of this income may be subtracted on Lines 5 through 9. See the Step-by-Step Instructions.

You should follow the federal law concerning passive activity income and losses. You are not required to recalculate your federal passive activity losses.

Also, federal law will govern the taxation of income from community property sources in the case of spouses who are residents of different states and who file separate returns.

? When should I file?

Your Illinois filing period is the same as your federal filing period. We will assume that you are filing your Form IL-1040 for calendar year 1999 unless you indicate a different filing period in the space provided at the top of the return. The due date for calendar year filers is April 17, 2000.

We grant an **automatic six-month extension** of time to file your individual income tax return. This extension grants you a six-month extension of time to file your return but does **not** grant you a six-month extension of time to pay any tax you owe. If you determine that you will owe tax, you must file Form IL-505-I, Automatic Extension Payment for Individuals, to pay any tax you owe in order to avoid penalty and interest on tax not paid by April 17, 2000. You must file Form IL-1040 to claim credit for this payment.

? Will I owe penalties?

You will owe a **late-filing or nonfiling penalty** if you do not file a processable return by the due date, including any extended due date. You may be penalized even if your return is fully paid or shows an overpayment. Your return will be considered processable if it is signed by the person required by law, is in a format that we have approved, and contains all information and schedules necessary to determine the correct tax.

You will owe a **late-payment penalty for underpayment of estimated tax** if you were required to make estimated payments and failed to do so, or failed to pay the required amount by the payment due date. You may be penalized even if you are receiving a refund. If your Illinois Income Tax exceeds the total tax withheld and credited (Line 16 minus the total of Lines 17, 19, 20, and 21) for the tax year by more than \$250, you may have been required to make estimated payments.

If you file an amended return within six months of the due date (during the automatic extension period), the late-payment penalty for underpayment of estimated tax will be recalculated using the tax figure on your latest filed return. Once the extension period has passed, your original penalty will not change.

In addition, you will owe a **late-payment penalty for unpaid tax** if you do not pay the tax you owe by the original due date of the return, even if you have an extension of time to file.

? Will I owe interest?

You will owe interest on any tax and penalty from the day after the original due date of your return through the date you pay the tax and penalties. Interest is simple interest figured using a daily rate. The rate is reviewed twice each year – on January 1 and July 1 – and adjusted according to the underpayment rate established in the Internal Revenue Code.

We will bill you for penalties and interest. For more information, refer to Publication 103, Uniform Penalties and Interest. To receive a copy of this publication, see the back page of this booklet for details.

? What if I cannot pay?

If you can complete your return on time but cannot pay the tax you owe, file your return by the due date without the payment. This will prevent a late-filing penalty from being assessed. You will, however, owe a late-payment penalty and interest on any tax you owe after the original due date, even if you have an extension of time to file. Therefore, it will be to your advantage to pay as soon as possible.

? Should I round?

To make it easier for you to figure your tax, you may round the dollar amounts on your Form IL-1040 and accompanying schedules to whole dollars. To do this, you should round to the nearest dollar by dropping amounts of less than 50 cents and increasing amounts of 50 cents or more to the next higher dollar.

? Should I file an amended return?

You should file Form IL-1040-X, Amended Individual Income Tax Return, if

- you discover that an error was made on your Illinois return after it has been filed,
- your federal return has been adjusted by the Internal Revenue Service, or
- you filed a U.S. 1040X and the change affects your Illinois net income or credits.

If you are amending your return before the automatic extended due date, refer to the IL-1040-X instructions, complete your amended return, and send it to us promptly. Any correction made may cause a recalculation of penalties and interest.

If you are amending your return after the automatic extended due date, refer to Form IL-1040-X for further instructions.

? What if I employ household employees?

If you employ household employees, you may choose an easier method for filing and paying the Illinois Income Tax that you withhold from your household employees' wages. For more details, refer to our IL-700-H booklet. To receive a copy of this booklet, see the back page for details.

Step-by-Step Instructions

Step 1

Complete your personal information

Line A

Social Security number

Write your Social Security number and, if filing jointly, write your spouse's Social Security number. Please write your Social Security numbers in the same order that they appear on your federal return.

You must list your spouse's Social Security number regardless of your filing status. Be sure to include both Social Security numbers on all checks and correspondence.

Line B

Name and address

If you received an Illinois Income Tax booklet in the mail, make sure that the preprinted name and address on the Form IL-1040 are correct. If any of the information is incorrect, cross through it, and write the correct information on the form.

If you did not receive a preprinted form, print or type the requested information on the lines provided.


Print the full **name** of each person filing the return. If you are married and filing a joint return, print both names as they appear on your federal return. If you are married and filing a separate return, print only your full name. **Do not** print your spouse's name.

Print your complete, permanent **mailing address**. If you move after you file, call us at **1 800 732-8866** or send a letter to one of our offices informing us of your new address and the date you moved. Include your Social Security number (and your spouse's Social Security number, if filing jointly), as well as both your old and new addresses.

How do I file a decedent's return?

Whether or not you are using a preprinted form and you are filing a joint return as a surviving spouse, cross through the decedent's name, and write "deceased" and the date of death above the decedent's name. After completing your return, sign your name in the area provided for your signature and write "filing as surviving spouse" in place of the decedent's signature. If you, as the surviving spouse, are due a refund, the refund will be issued directly to you.

Whether or not you are using a preprinted form and you are filing the return for a single deceased taxpayer or a joint return for which both taxpayers are deceased, write "deceased" and the date of death directly above the decedent's name.

 *Be sure to make all changes to the name and address on the return for future correspondence.*


A personal representative, such as an executor, administrator, or anyone who is in charge of the decedent's property, must sign and date the return. The representative's title and telephone number should also be provided. If a refund is due, attach Form IL-1310, Statement of Person Claiming Refund Due a Deceased Taxpayer.

Line C

Filing status

Check the same filing status that you checked on your federal return. If you did not file a federal return, check the filing status you would have checked if you had filed a federal return.

If you are filing "married filing separately," be sure to write your spouse's Social Security number on the line provided. However, **do not** write your spouse's name. If your spouse's name appears on your return, any **refund will be issued in both names**.

 *If you are filing a joint federal return and one spouse is an Illinois resident while the other is a part-year resident or a nonresident (e.g., military personnel), you may choose to file "married filing separately." In this case, each spouse must determine income and exemptions as if he or she had filed separate federal returns. You **may not** subtract your spouse's out-of-state income on your Form IL-1040.*

If you choose to file a joint return, this election is irrevocable for the tax year. Both spouses will be treated as residents, and all income will be allocated to Illinois. You may be allowed a credit for income tax paid to another state on Schedule CR, Credit for Tax Paid to Other States.

Line D

Farmers

Check the box in the barn if at least two-thirds of your total federal gross income came from farming. Total federal gross income includes your spouse's income if your filing status is "married filing jointly."

What is federal gross income from farming?

"Federal gross income from farming" is the amount of income you received from your participation in the production of crops, fruits, fish, livestock (used for draft, breeding, or dairy purposes), or other agricultural products. This includes income from the operation of a stock, dairy, poultry, fruit, or truck farm, plantation, ranch, nursery, range, or orchard – regardless of whether the operation is organized as a sole proprietorship, a partnership, an S corporation, or a trust. "Federal gross income from farming" also includes a share of crops produced in exchange for the use of the land.

"Federal gross income from farming" does not include payments from the sale of farm land and farm equipment, nor does it include income received by a custom grain harvester who performs grain harvesting and hauling services on farms he or she does not own, rent, or lease. It also does not include the wages of a farm employee or cash rent.

Step 2

Figure your income

Line 1

Adjusted gross income

Write the amount shown as adjusted gross income from your U.S. 1040, Line 33; U.S. 1040A, Line 18; U.S. 1040EZ, Line 4; or your U.S. federal TeleFile Worksheet, Line I. If you are not required to file a federal income tax return, you can use the U.S. 1040 as a worksheet to determine your adjusted gross income.

Line 2

Federally tax-exempt income

Write the amount of federally tax-exempt interest and dividend income you received. This amount is written on Line 8b of your U.S. 1040 or U.S. 1040A and is not included in your adjusted gross income on Form IL-1040, Line 1. This includes interest and dividend income paid or accrued to you on state, municipal, or any other obligations.

Include your distributive share of federally tax-exempt interest and dividend income received from a partnership, an S corporation, an estate, or a trust. The partnership, S corporation, trust, or estate is required to notify you of your share of this type of income. An Illinois entity will send you an Illinois Schedule K-1-P, Partner's or Shareholder's Share of Income, Deductions, Credits, and Recapture, or Illinois Schedule K-1-T, Beneficiary's Share of Income and Deductions, specifically identifying your income.

Line 3

Other additions to income

Write the total amount of any other additions to your income that you received from the sources below, identifying each addition on the line provided. Do not include any distribution for federally tax-exempt income already included in Line 2.

- ▶ If you elected to report your child's interest and dividend income on U.S. Form 8814, Parents' Election To Report Child's Interest and Dividends, you are required to include on Line 3 any federally tax-exempt interest that you reported on that form.
- ▶ Include property tax that was refunded to you by your local government. Include this amount only if you claimed this tax as a subtraction on Form IL-1040 for tax years ending prior to December 31, 1991.
- ▶ Include Illinois Income Tax from your business, farm, or rental schedule that was deducted on your federal return. (Do not include any Illinois Income Tax included as an itemized deduction on your U.S. 1040, Schedule A, Itemized Deductions.)
- ▶ Include your distributive share of the additions received from a partnership, an S corporation, an estate, or a trust. The partnership, S corporation, trust, or estate is required to notify you of your share of this type of income. An Illinois entity will send you an Illinois Schedule K-1-P, Partner's or Shareholder's Share of Income, Deductions, Credits, and

Recapture, or Illinois Schedule K-1-T, Beneficiary's Share of Income and Deductions, specifically identifying your income.

- ▶ Include withdrawals made and interest earned from your Medical Care Savings Account that are not included in your adjusted gross income, Line 1. Include this income only if your withdrawals were for purposes other than those allowed under the Medical Care Savings Account Act.
- ▶ Include any amount equal to any eligible remediation costs that you deducted in figuring your adjusted gross income and that you will claim as an Environmental Remediation Credit on your Schedule 1299-C for this tax year.

Line 4

Income

Add Lines 1 through 3, and write the total on Line 4. This is your income.

Step 3

Figure your base income

Some of your Illinois income may be subtracted on Lines 5 through 9. Refer to the items below to see if you are entitled to any of these subtractions.

Line 5

Federally taxed Social Security and retirement income

Write the amount of any federally taxed portion (not the gross amount) that is included in your adjusted gross income, Line 1, and that you received from

- ▶ a qualified employee benefit plan. If you do not know whether your employee benefit plan is "qualified," as defined in the Internal Revenue Code, Sections 402 through 408 or 457 (only state and local government deferred compensation plans), check with your employer.
- ▶ an Individual Retirement Account (IRA), a self-employed retirement (H. R. 10/Keogh) plan, or a 401(k) plan.
- ▶ converting a traditional IRA to a Roth IRA. Beginning January 1, 1998, the Internal Revenue Service requires taxpayers to include in their adjusted gross income the amount they rolled-over from a traditional IRA to a Roth IRA. Illinois does not tax this amount and allows it as a subtraction.
- ▶ the redemption of U.S. retirement bonds.
- ▶ a government retirement or government disability plan, including military plans.
- ▶ railroad retirement income.
- ▶ retirement payments to retired partners.
- ▶ a lump-sum distribution of appreciated employer securities.
- ▶ the federally taxed portion of Social Security benefits from your U.S. 1040, Line 20b, or U.S. 1040A, Line 13b. Do not include Social Security withheld from wages.

You may include early distributions from qualified plans and IRAs. **Do not** include any ordinary income from a qualified retirement plan for which you have elected to use the “Special 10-Year Averaging Method” or “Special 5-Year Averaging Method” on U.S. Form 4972, Tax on Lump-Sum Distributions.

What federally taxed income may I not include?

You may not include income received as third-party sick pay, nongovernment disability plans, or nongovernment deferred compensation plans, which are not qualified employee benefit plans.

What forms must I attach to my return to show that my benefit or retirement income is subtractable?

Attach a copy of your

- ▶ U.S. 1040 or U.S. 1040A, Page 1, for pension and annuity, redemption of U.S. retirement bonds, governmental disability income, Social Security, railroad retirement, IRA distribution, and retirement payment to retired partners.
- ▶ U.S. 1040 or U.S. 1040A, Page 1, and Form W-2 showing the amount of state and local governmental deferred compensation paid under the Internal Revenue Code, Section 457.
- ▶ U.S. 1040, Page 1, and U.S. 1040, Schedule D, Capital Gains and Losses, (capital gains portion), if filed, for lump-sum distributions (cash or property such as employer securities, retirement income, endowment or life insurance contracts). Be sure to include both ordinary income and capital gains income included on U.S. 1040, Page 1.
- ▶ U.S. 1040, Schedule D, Capital Gains and Losses, and Form IL-4644, Gains from Sales of Employer’s Securities Received from a Qualified Employee Benefit Plan, for a gain on the sale or exchange of employer securities.

Line 6

Military pay earned

Write the amount of military pay that you received for active duty in the U.S. Armed Forces or for annual training in the Illinois National Guard. Attach your military Form W-2.

What military pay may I subtract?

You may subtract pay for

- ▶ full-time active duty in the armed forces, including basic training;
- ▶ full-time active duty for serving in the U.S. Armed Forces Reserves or a National Guard unit, including ROTC;
- ▶ full-time active duty or service in the U.S. Armed Forces, Armed Forces Reserves, and National Guard during a time of national emergency or civil disturbances;
- ▶ time spent in annual summer camp training as a member of the U.S. Armed Forces Reserves or the Illinois National Guard, including ROTC; and
- ▶ full-time duty as a cadet at the U.S. Military, Air Force, and Coast Guard academies or as a midshipman at the U.S. Naval Academy.

What military pay may I not subtract?

You may not subtract military income that you excluded from your adjusted gross income, Line 1.

You may **not** subtract

- ▶ certain combat pay that is not included in your adjusted gross income, Line 1;
- ▶ pay you received for time spent at weekly or monthly training meetings of a U.S. Armed Forces Reserves or a National Guard unit;
- ▶ pay you received under the Voluntary Separation Incentive;
- ▶ payments you made under the Ready Reserve Mobilization Income Insurance Program; or
- ▶ pay for duty as an officer in the Public Health Service.

For more information, refer to Publication 102, Illinois Filing Requirements for Military Personnel. To receive a copy of this publication, see the back page of this booklet for details.

What forms must I attach to my return?

Attach Form W-2 showing active duty military pay.

Line 7

Illinois Income Tax refund

Write only the amount of Illinois Income Tax refund that is included in your adjusted gross income, Line 1. This amount should have been included as income on your 1999 U.S. 1040, Line 10. You are allowed this subtraction only if you deducted this amount in the prior year on your U.S. 1040, Schedule A, Itemized Deductions.

Note → If you filed a U.S. 1040A or a U.S. 1040EZ, or TeleFiled your federal return, you may not take this subtraction.

Line 8

U.S. government obligations and U.S. agency income

Write the total income included in your Form IL-1040, Line 1, that you received from U.S. government obligations and U.S. agency notes, bonds, debentures, and other similar obligations from either your

- ▶ U.S. 1040, Schedule B, Interest and Dividend Income;
- ▶ U.S. 1040A, Schedule 1, Interest and Dividend Income for Form 1040A Filers; or
- ▶ mutual fund statement that you received.

If this amount is greater than \$400, **attach** a copy of your U. S. schedule and a statement from the mutual fund to your Illinois return.

Include the amount of

- ▶ **federally taxed interest** you received from U.S. treasury bonds, notes, bills, and savings bonds. This amount must be reduced by any related bond premium amortization deducted federally. You must identify, on your U.S. Schedule B or U.S. Schedule 1, each specific type of obligation to which this interest relates.

Attach a copy of your U.S. Schedule B or U.S. Schedule 1.

Savings bond interest written on your U.S. 1040, Schedule B, Part I, Line 3, or U.S. 1040A, Schedule 1, Part I, Line 3, **is not an allowable subtraction**. This amount is not included in your adjusted gross income, Line 1.

- income** you received from U.S. agency notes, bonds, debentures, and other similar obligations that you included on Line 1 and that are exempt from Illinois taxation by federal statutes. Examples include: income received from obligations issued by banks for cooperatives, federal home loan banks, and Federal Savings and Loan Corporation.

Attach a copy of your U.S. Schedule B or U.S. Schedule 1.

Refer to our Publication 101 for a complete listing. This amount must be reduced by any related bond premium amortization deducted federally.

- federally taxed distribution** you received from mutual funds investing exclusively in U.S. government obligations. If the mutual fund invests in both exempt and nonexempt federal obligations, the deduction allowed will be the distribution received from the mutual fund attributable to the U.S. government obligations, as determined by the mutual fund.

If the mutual fund does not provide this percentage amount, multiply the total distribution by a fraction. The numerator is the amount invested by the fund in state-exempt U.S. government obligations, and the denominator is the fund's total investment.

Attach a copy of your U.S. 1040, Schedule B, or U.S. 1040A, Schedule 1; **a copy of the statement received from the mutual fund**; and any worksheets showing the calculations as outlined above.

For further information refer to Publication 101, Income Exempt from Tax, which explains and identifies income that is exempt from Illinois Income Tax. To receive a copy of this publication, see the back page of this booklet for details.

Note → If you received a distributive share of a subtraction that included U.S. government obligations from a partnership, an S corporation, a trust, or an estate, include that amount on Line 9.

Line 9

Other subtractions to income

Identify each of the following subtractions on the line provided. You may not list anything that is not identified below or in our Publication 101.

Write the total of

- any of your child's income** that you reported on U.S. Form 8814, Parents' Election To Report Child's Interest and Dividends, that is allowed as a subtraction on Lines 8 and 9. You may claim this amount only if your child's income is included on your Form IL-1040, Line 1 or Line 3. Identify this subtraction as "U.S. 8814."
- your distributive share** of subtractions from a partnership, an S corporation, a trust, or an estate. Attach a copy of the notification (which includes the FEIN) furnished to you that **specifically details** the amount of the subtraction being claimed as your distributive share.

If your distributive share is from a grantor trust, attach a detailed statement that identifies the grantor trust.

Note → The partnership, S corporation, trust, or estate is required to notify you of your share of these subtractions, if any. You may write the amount of such subtractions only if you are notified. An Illinois entity will send you an Illinois Schedule K-1-P, Partner's or Shareholder's Share of Income, Deductions, Credits, and Recapture, or Illinois Schedule K-1-T, Beneficiary's Share of Income and Deductions, specifically identifying your subtractions.

- the amount of your **August 1, 1969, valuation limitation** from Schedule F, Gains from Sales or Exchanges of Property Acquired Before August 1, 1969, Line 17.

You **must** attach Schedule F and copies of required federal forms.

- enterprise zone dividends** that you received from a corporation that conducts substantially all of its business operations in an enterprise zone designated by the state of Illinois, and the amount of dividends received from a corporation that conducts business operations in a federally designated **foreign trade zone or subzone** located in Illinois and that is designated by the Illinois Department of Commerce and Community Affairs as a "High-Impact Business." Write the amount from Schedule **1299-C, Income Tax Subtraction and Credits, Section II, Part I, Line 4, and attach Schedule 1299-C to your return.**

- interest on obligations of Illinois state and local governments included on Line 2.** This amount is net of any related bond premium amortization. Be specific in identifying your obligations.

You **must** attach a copy of the statement you received that specifically identifies the payer and the amount of obligation. Attach a copy for each obligation included.

Income from state and local governments is **not exempt** from Illinois Income Tax except where legislation has been specifically adopted to provide for an exemption.

Following is a list of securities that are exempt. However, income from these obligations is **not exempt** if you own them indirectly through owning shares in a mutual fund.

- Illinois Housing Development Authority bonds and notes (except housing-related commercial facilities bonds and notes)
- Export Development Act bonds
- Illinois Development Finance Authority bonds, notes, and other evidence of obligation (only venture fund and infrastructure bonds)
- Quad Cities Regional Economic Development Authority bonds and notes, if the authority exempts them from taxation
- College Savings bonds
- Illinois Sports Facilities Authority bonds
- Higher Education Student Assistance Law bonds
- Illinois Development Finance Authority bonds issued pursuant to the Illinois Development Finance Authority Act, Sections 7.80 through 7.87
- Rural Bond Bank Act bonds and notes
- Illinois Development Finance Authority bonds issued under the Asbestos Abatement Finance Act
- Quad Cities Interstate Metropolitan Authority bonds
- Southwestern Illinois Development Authority bonds

For further information refer to our Publication 101, Income Exempt from Tax, which explains and identifies income that is

exempt from Illinois Income Tax. To receive a copy of this publication, see the back page of this booklet for details.

- ▶ **a recovery** of items (including refunds of any state and local income taxes, other than Illinois) that you previously deducted on your U.S. 1040, Schedule A, Itemized Deductions, in a prior year. You must have included these items on your 1999 U.S. 1040, Page 1, and your 1999 Form IL-1040, Line 1.

Attach to Form IL-1040 a copy of your 1999 U.S. 1040, any schedule or attachment to your 1999 U.S. 1040 showing the nature and source of such amounts, **and** a copy of your prior-year U.S. Schedule A in which you itemized such a deduction.

- ▶ **expenses for federally tax-exempt investments**, such as state or municipal bonds that you reported in Line 2. You may deduct expenses relating to those items that were disallowed as federal deductions because the income was exempt from federal tax under the Internal Revenue Code, Section 171(a)(2), 265 or 280C.
- ▶ **ridesharing money** and other benefits (other than salary) received by a driver in a ridesharing arrangement using a motor vehicle if these amounts are included in Line 1.
- ▶ an amount equal to the deduction used to compute the federal tax credit for restoration of amounts held under **claim of right** under the Internal Revenue Code, Section 1341.
- ▶ contributions you made to a TIF **job training project**. Refer to Informational Bulletin FY 90-40. To receive a copy of this bulletin, see the back page of this booklet for details.
- ▶ **payment of life, endowment, or annuity benefits** received before the time they would have ordinarily been paid as an indemnity for a terminal illness. This amount must have been included in Line 1.
- ▶ **your employer's contributions** made on your behalf to an account established under the Medical Care Savings Account Act and the **interest earned** on this account. You must have included this amount in Line 1.
- ▶ **premiums paid for health insurance and long-term care insurance** if
 - you are self-employed, a partner in a partnership, or a shareholder in an S corporation and
 - the premiums are for yourself, your spouse, or your dependents.

These premiums must qualify as a deduction under the Internal Revenue Code, Section 213. This deduction is limited to premiums not already deducted on your U.S. Form 1040 including U.S. 1040, Schedule A, and may not exceed your taxable income attributable to your self-employment, partnership, or S corporation income.

You may **not** claim this deduction if you are eligible for benefits from your employer's or your spouse's employer's health insurance plan. For more information, refer to Informational Bulletin FY 96-23. To receive a copy of this bulletin, see the back page of this booklet for details.
- ▶ **income from the Illinois Prepaid Tuition Trust Fund** that you included in your adjusted gross income, Line 1. Do not include the federally taxed distributions that you did not spend in accordance with the provisions of your Illinois prepaid tuition contract.
- ▶ **any other income** included in Line 1 or as an addition in Line 2 that is exempt from Illinois taxation by reason of the

Constitution of Illinois or the Constitution, treaties, or statutes of the United States. This amount is net of any bond premium amortization deducted federally. Examples are listed in our Publication 101, Income Exempt from Tax. To receive a copy of this publication, see the back page of this booklet for details.

❓ **May I subtract my out-of-state income?**

No, you may not subtract your out-of-state income. However, if you are filing as a resident, you may be allowed to take a credit against your Illinois Income Tax for income tax you paid to another state. See the instructions for Line 19 and Schedule CR, Credit for Tax Paid to Other States.

If you are filing as a nonresident, you should exclude your out-of-state income when you compute your Illinois income on Schedule NR, Nonresident and Part-Year Resident Computation of Illinois Tax.

If you are a part-year resident, you should file Schedule NR, and you also may be allowed to file Schedule CR if the same income on Schedule NR is being taxed by another state.

Line 10

Total subtractions

Add Lines 5 through 9, and write the total on Line 10. This is your total subtractions.

Line 11

Base income

Subtract Line 10 from Line 4, and write the result on Line 11. If Line 10 is blank, write the amount from Line 4. If Line 10 is greater than Line 4, write zero.

Residents, this is your Illinois base income.

If you are a **nonresident or part-year resident**, your Illinois base income is on Schedule NR, Nonresident and Part-Year Resident Computation of Illinois Tax, Step 5, Line 45.

Step 4

Figure your exemption allowance

Line 12

Illinois exemption allowance

Follow the instructions in the Exemption Tables on Pages 12 and 13 for Lines a and b to determine your exemption allowance for each line.

Add Lines a and b, and write the total on Line 12. This is your total exemption allowance.

Note → If you did not file a federal return, write the number of exemptions you would have claimed if you had filed one.

Exemption Table for Line 12a

Box

Write in the box on your Form IL-1040 the number of exemptions you claimed on your federal return.

If you filed

U.S. 1040 or 1040A

your number of exemptions is

found in Box 6d on your federal return.

U.S. 1040EZ

“0” if you are *single* or *married filing jointly* and checked the “Yes” box on Line 5 and you and your spouse, if filing jointly, can be claimed as dependents.

“1” if you are *single* and checked the “No” box on Line 5; or you are *married filing jointly*, checked the “Yes” box on Line 5, and only one of you can be claimed as a dependent.

“2” if you are *married filing jointly* and checked the “No” box on Line 5.

U.S. TeleFile

“0” if you are *single* and checked the “Yes” box on Line B; or you are *married filing jointly* and checked both “Yes” boxes on Line B.

“1” if you are *single* and checked the “No” box on Line B; or you are *married filing jointly* and checked only one “Yes” box on Line B.

“2” if you are *married filing jointly* and checked both “No” boxes on Line B.

Example for Line a - box

$$\boxed{5} + \textcircled{0} = \underline{5} \times \$1,650 \quad \text{a } \underline{8,250} \underline{00}$$

Note: If you (or your spouse, if filing jointly) are claimed as a dependent on someone else's return or wrote “0” in the Line a box, refer to the instructions for the Line a oval.

Oval

Complete this portion if you (or your spouse, if filing jointly) can be claimed as a dependent on another person's return.

If Line 11 is less than or equal to \$1,650

your number of exemptions is

“1” if you are *single* or *married filing jointly* and only one of you can be claimed as a dependent.

“2” if *married filing jointly* and both you and your spouse can be claimed as dependents.

Example for Line a - oval

$$\boxed{0} + \textcircled{1} = \underline{1} \times \$1,650 \quad \text{a } \underline{1,650} \underline{00}$$

If Line 11 is greater than \$1,650

your number of exemptions is

“0”

Example for Line a - oval

$$\boxed{0} + \textcircled{0} = \underline{0} \times \$1,650 \quad \text{a } \underline{0} \underline{00}$$

Exemption Table for Line 12b

Check the correct box.

If you were

▶ 65 years of age or older

▶ legally blind

check the

"65 or older" box.

"legally blind" box.

If spouse was

▶ 65 years of age or older

▶ legally blind

check your

spouse's "65 or older" box.

spouse's "legally blind" box.

Add the number of boxes you checked. Multiply this number by \$1,000, and write the result on Line 12b.

Example for Line 12b

If you were 65 or older
 If you were legally blind
 If spouse was 65 or older
 If spouse was legally blind

+ + + = 2 x \$1,000 b 2,00000

Step 5

Figure your Illinois net income

Residents only – Complete this step and go to Step 7.
Nonresidents and part-year residents – skip Step 5 and go to Step 6.

Line 13

Net income

Subtract Line 12 from Line 11, and write the result on Line 13. If Line 12 is greater than Line 11, write "0." This is your net income.

Step 6

Nonresidents and part-year residents

Line 14

Residency and Illinois income

Check the box that identifies whether you were a nonresident or a part-year resident of Illinois during 1999.

Complete Schedule NR. Write the amount from Schedule NR, Step 5, Line 45, on Line 14.

You must attach a completed copy of Schedule NR to your Form IL-1040.

Step 7

Figure your tax

Line 15

Residents net income

Residents only, write your net income from Step 5, Line 13, on Line 15.

Line 16

Tax amount

Residents, multiply the amount on Line 15 by 3 percent (.03), and write the result on Line 16.

Example – If Line 15 is \$24,380, figure the tax as follows:

$$\boxed{\$24,380 \times .03 = \$731}$$

Nonresidents and part-year residents, write your tax amount from Schedule NR, Step 5, Line 51. Attach Schedule NR to Form IL-1040.

Note → If you completed Illinois Schedule 4255, Recapture of Investment Tax Credits, you must also complete the following Schedule 4255 Recapture Worksheet.



Schedule 4255 Recapture Worksheet

You must complete this worksheet if

- ▶ you claimed an investment credit against your Illinois Income Tax liability on your Form IL-1040 in a previous year, and
- ▶ the property considered in the computation of that investment credit was disqualified within 48 months after being placed in service.

Effective January 1, 1997, the disqualification criteria changes for the High-Impact Business Investment Credit. Refer to Schedule 4255.

- 1 Write the amount from Schedule 4255, Part IV, Line 12, Column A. 1 _____|_____
- 2 Write the amount from Schedule 4255, Part IV, Line 12, Column B. 2 _____|_____
- 3 **Residents** - Multiply the amount from Form IL-1040, Line 15, by 3% (.03).
Nonresidents or part-year residents - Write the amount from Schedule NR, Step 5, Line 51. 3 _____|_____
- 4 Add Lines 1, 2, and 3. Write the amount here and on your Form IL-1040, Line 16. 4 _____|_____

Attach Schedule 4255 to your Form IL-1040.

Step 8

Figure your payments and credits

Line 17

Illinois Income Tax withheld

Write the total Illinois Income Tax withheld in 1999 as shown on your W-2, Wage and Tax Statement, forms. This amount is generally found on your W-2 forms in Box 18, state income tax. Also include any Illinois Income Tax withheld as shown on your Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc., and your Form W-2G, Certain Gambling Winnings.

Attach the Illinois copy of each W-2, 1099-R, and W-2G to the front of your Form IL-1040.

Line 18

Estimated income tax payments

Write the total of any payments you made with

- ▶ Form IL-1040-ES, Estimated Income Tax Payments for Individuals;
- ▶ Form IL-505-I, Automatic Extension Payment for Individuals Filing Form IL-1040; and
- ▶ any 1998 overpayment that was credited to your 1999 estimated tax.

Line 19

Credit for taxes paid to other states

This credit is for **Illinois residents** and **part-year residents** only. To figure the amount of credit for income tax you paid to another state, complete Schedule CR, Credit for Tax Paid to Other States. Write the amount from Line 8 of that schedule on Form IL-1040, Line 19.

Attach Schedule CR and all out-of-state tax returns or other documents to your Form IL-1040. Refer to the instructions for Schedule CR.

Line 20

Credit for Illinois Property Tax

Refer to the Illinois Property Tax Table on the following page to determine if you qualify for a credit for the property tax you paid. If you qualify for a property tax credit, you must complete the Homeowner's Property Tax Credit Worksheet below to determine the amount of credit to write on Line 20.



Homeowner's Property Tax Credit Worksheet

You must complete this worksheet if you qualify for the Illinois Property Tax credit as explained in the Illinois Property Tax Table.

- 1 Write the total amount of Illinois Property Tax paid in 1999 for the real estate that includes your principal residence. 1 _____|_____
- 2 Write the portion of your tax bill that is deductible as a business expense on U.S. Schedule C, E, or F or other U.S. income tax forms or schedules, whether or not you actually took the federal deduction. 2 _____|_____
- 3 Subtract Line 2 from Line 1. Write the amount here and **on the line provided on Form IL-1040, Line 20.** 3 _____|_____
- 4 Multiply Line 3 by 5% (.05). 4 _____|_____
- 5 Write the amount of income tax from your Form IL-1040, Line 16. 5 _____|_____
- 6 Write the amount of credit for tax paid to other states from your Form IL-1040, Line 19. 6 _____|_____
- 7 Subtract Line 6 from Line 5. This is your net tax. 7 _____|_____
- 8 Compare the amounts on Line 4 and Line 7. Write the lesser amount here and on your Form IL-1040, Line 20. This is your property tax credit. 8 _____|_____

Be sure to keep proof of your property tax paid with your income tax records.

Illinois Property Tax Table

Illinois Property Tax paid

You may figure a credit for Illinois Property Tax paid if

- ▶ your principal residence during 1998 was in Illinois; **and**
- ▶ you owned your residence; **and**
- ▶ your tax bill included property used for your principal residence, yard, garage, or other structure used for personal purposes; **and**
- ▶ your property tax billed in 1999 has been paid.

You may **not** figure a credit for Illinois Property Tax

- ▶ on taxes paid for property that is not your principal residence (*e.g.*, vacation homes or rental property), **or**
- ▶ penalties or fees included in your property tax bill.

Mobile home property tax

You may figure a credit for mobile home property tax if all the conditions above apply to you for 1998. However, you may **not** figure a credit for mobile home privilege tax.

Illinois property you purchased

You may figure a credit for Illinois property you purchased during 1998 providing you figure only that portion of your taxes that pertains to the time you owned and lived at the property during 1998. You may **not** take a credit on your 1999 return for property you purchased in 1999.

Illinois property you sold

You may figure a credit for Illinois property you sold in 1999 by combining all the 1998 property tax paid in 1999, as well as a portion of the 1999 tax based on the time you owned and lived at the property during 1999. You may **not** take a credit on your 1999 return for property sold during 1998.

Business, rental, or farm property

You may figure a credit on only that portion of your tax bill that is **not** deductible as a business expense.

Line 21

Credit from Schedule 1299-C

Write the amount from Schedule 1299-C, Income Tax Subtraction and Credits for Individuals, Section II, Part IX, Line 46, and attach the schedule to your Form IL-1040. Schedule 1299-C allows you to reduce your tax by taking the following credits:

- ▶ "TECH-PREP" Youth Vocational Programs Credit
- ▶ Dependent Care Assistance Program Tax Credit
- ▶ High Impact Business Investment Credit
- ▶ Jobs Tax Credit
- ▶ Enterprise Zone Investment Credit
- ▶ Training Expense Credit
- ▶ Research and Development Credit
- ▶ Environmental Remediation Tax Credit
- ▶ Economic Development for a Growing Economy Tax Credit

Line 22

Total payments and credits

Add Lines 17 through 21, and write the total on Line 22. The total of Lines 19, 20, and 21 **cannot exceed** the amount of tax on Line 16.

Step 9

Figure your overpayment or your tax due

Line 23

Overpayment

If Line 22 is greater than Line 16, subtract Line 16 from Line 22. This is the amount of your overpayment.

Line 24

Tax due

If Line 16 is greater than Line 22, subtract Line 22 from Line 16. This amount is your tax due.

Step 10

Figure your penalty

Line 25

Late-payment penalty for underpayment of estimated tax

If you owe more than \$250 (Line 16 minus the total of Lines 17, 19, 20, and 21) when you file, you may be subject to a late-payment penalty for underpayment of estimated tax. Refer to General Information, "Will I owe penalties?" or Form IL-2210, Computation of Penalties for Individuals, for more details.

If you are subject to this penalty, you may complete Form IL-2210, Computation of Penalties for Individuals, to determine your penalty. Write the amount you figured on Line 25. If you prefer, we will figure your penalty and bill you later.

Check the box on Form IL-1040, Step 10, Line 25, if you

- ▶ annualized your income on Form IL-2210, Step 5, or
- ▶ you are 65 years of age or older and you permanently live in a nursing home.

Attach Form IL-2210 to your Form IL-1040.

If you owe the late-payment penalty due to underpaying your estimated tax, you may want your employer to increase the amount of Illinois Income Tax withheld from your pay.

If your income is not subject to withholding or you do not want to increase the amount withheld from your pay, you should make timely estimated tax payments with Form IL-1040-ES, Estimated Income Tax Payments for Individuals. For more information on making estimated tax payments, refer to the instructions for Form IL-1040-ES.

d Assistance to the Homeless Fund – Homeless people rely on shelters and agencies to provide assistance. Your contribution will give additional funds to not-for-profit organizations that serve homeless persons so they may have a roof over their heads and food to eat.

e Penny Severns Breast and Cervical Cancer Research Fund – Breast and cervical cancers account for about 20 percent of all cancers diagnosed annually in the state. Contributions to this fund will help to support research for prevention, early detection, and treatment of these cancers. Through early detection and treatment, breast and cervical cancer deaths can be reduced by one-third.

f Prostate Cancer Research Fund – Prostate cancer is the second leading cause of cancer death among men in the United States. Approximately one man out of five will develop the disease in the course of his lifetime. Contributions to this fund will help to support vital research to save lives and to improve the quality of life in men diagnosed with the disease.

Add Lines a through f, and write the total on Line 26.

Line 27

Donation to your school district

If you are currently an Illinois resident, you may donate your exemption allowance, your property tax credit, or both to the school district where you now reside. If you wish to donate to the School Funding Fund, complete the School Funding Fund Worksheet. Then, write your donation amount from Line 4 of the worksheet on Line 27 of your Form IL-1040.

You cannot change your donation on an amended return.

Step 11

Figure your donations

Line 26

Voluntary contributions

You may contribute to one or more of the following state funds. Contributions to the funds may be in any amount (\$1.00 or more) and will decrease your overpayment or increase your balance due. Write the amount you wish to contribute on Lines 26a through 26f.

You cannot change your contributions to these funds on an amended return.

a Wildlife Preservation Fund – Your contribution can mean the difference between survival and extinction for hundreds of plant and animal species. Recovery efforts have saved the peregrine falcon and the majestic bald eagle. We need to do more, and your donation will help.

b Child Abuse Prevention Fund – More than 100,000 children will be reported this year as victims of abuse or neglect. Your contribution will support programs designed to help young families parent well and prevent abuse of their children.

c Alzheimer's Disease Research Fund – More than 200,000 Illinois residents suffer from Alzheimer's disease. Grants from this fund will help support important research to find a cure for this devastating disease.



School Funding Fund Worksheet

If you are an Illinois resident and choose to donate your exemption allowance or your property tax credit to the School Funding Fund, you must complete this worksheet.

- 1 Write your exemption allowance from your Form IL-1040, Step 4, Line 12a. **1** _____|_____
- 2 Multiply Line 1 by 3% (.03). **2** _____|_____
- 3 Write the amount from Line 8 of the Homeowner's Property Tax Credit Worksheet. **3** _____|_____
- 4 Write the amount you wrote on
 - ▶ Line 2, or
 - ▶ Line 3, or
 - ▶ the total of both Lines 2 and 3 that you would like to donate to your school district. Also, write this amount on Form IL-1040, Line 27. **4** _____|_____

Any donation will reduce your refund or increase the amount you owe.

Be sure to keep a copy of your School Funding Fund Worksheet with your income tax records.

Line 28**Total penalty and donations**

Add Lines 25 through 27, and write the total on Line 28.

Step 12**Figure your refund or the amount you owe****Line 29****Overpayment after penalties and donations**

If you have an overpayment on Line 23 and this amount is greater than Line 28, subtract Line 28 from Line 23 and write the result on Line 29.

Line 30**Overpayment applied to next year**

Write the amount of your 1999 overpayment that you wish to apply to your 2000 Illinois estimated tax. If for any reason this amount is reduced, you may owe a late-payment penalty for underpayment of estimated tax for the following year.

Note → We will reduce any refund or credit to your 2000 estimated tax by the amount of any outstanding income tax, penalties, and interest you may owe.

Line 31**Refund**

Subtract Line 30 from Line 29. This is your refund. We will not refund or credit any amount less than \$1.

Line 32**Amount you owe**

If you have tax due on Line 24, add Lines 24 and 28, and write the amount on Line 32. This is the amount of tax, penalty, and donations that you owe.

Or

If you have an overpayment on Line 23, and this amount is less than Line 28, subtract Line 23 from Line 28, and write the result on Line 32. This is the amount of tax, penalty, and donations that you owe.

What should I do if I want to pay the amount I owe by credit card?

If you would like to pay the amount you owe by MasterCard (Discover and American Express may be available by filing season), call

1 888 2PAYTAX (1 888 272-9829).

Be sure you have your credit card ready. The credit card processor will ask a series of questions that you will answer by using your telephone keypad. First, they will ask you to enter your Jurisdiction Code.

Your Jurisdiction Code is 2300.

There will be an additional convenience fee assessed to your credit card account by the credit card processor. Your tax payment is due on or before April 17, 2000.

What should I do if I want to pay the amount I owe by check?

Make your check or money order payable to the "Illinois Department of Revenue" (not IRS) and write your Social Security number(s) in the lower left corner of your payment.

If you are sending a check or money order to pay the tax, penalty, and donations of another taxpayer, write that taxpayer's name and Social Security number in the lower left corner of the payment.

Do not send cash. Mail your check together with your return to one of the addresses listed below under the question, "Where should I mail my income tax return?"

If Line 32 is less than \$1.00, you do not have to pay. If you reside in a foreign country, your payment must be U.S. negotiable currency expressed in U.S. dollars and drawn on a U.S. bank.

Failure to file or pay the proper amount of tax when due will result in an additional charge of penalties and interest. If you owe any penalties or interest, we will send you a billing notice. However, if you prefer to figure these amounts, see our Publication 103, Uniform Penalties and Interest, and include the penalty and interest amounts in Line 32. Please identify how much is penalty to the left of Line 32.

Step 13**Sign and date your return**

Sign and date your return. If you are filing jointly, your spouse also must sign and date the return. If you are filing for a minor as a parent or guardian, you must sign and date the return.

If you do not sign your return, it will not be considered filed and you may be subject to a nonfiler penalty. In addition, if you do not sign your return and three years have passed since the extended due date of that return, any overpayment will be forfeited. If you paid someone to prepare your return, that individual also must provide a handwritten signature, date the return, and provide his or her telephone number and tax identification number. Staple all required copies of forms and schedules, powers of attorney, and letters of estate or office to the back of the return.

Write your daytime telephone number. If a problem arises in processing your return, it is helpful for us to have a telephone number where we can reach you during office hours.

**New
this year**

Check the box

If a tax preparer completes your return and you would still like to receive an Illinois Income Tax Booklet next year, check the box at the bottom of Form IL-1040.

Where should I mail my income tax return?

If you have a refund, you should mail your return to the

**ILLINOIS DEPARTMENT OF REVENUE
SPRINGFIELD IL 62719-0001.**

If you have a balance due, you should mail your return to the

**ILLINOIS DEPARTMENT OF REVENUE
SPRINGFIELD IL 62726-0001.**


Remember

to attach supporting documents. . .

to your return. If you have an entry on any of the lines identified below and do not attach the required supporting documents to your return, your entry will be disallowed, and any refund you are entitled to will be delayed.

If you completed:

Line 5 →

Federally taxed Social Security and federally taxed retirement income

Attach:

- U.S. 1040 or U.S. 1040A, Page 1
- U.S. 1040, Schedule D, Pages 1 and 2
- Form IL-4644, if applicable
- Form W-2 showing governmental deferred compensation

Line 6 →

Active-duty military pay

- Form W-2 showing active-duty military pay

Line 8 →

U.S. government obligations and U.S. agency income

- U.S. 1040, Schedule B, or U.S. 1040A, Schedule 1, identifying each U.S. government obligation separately; and a copy of any statement you received from a mutual fund for amounts over \$400.

Line 9 →

Other subtractions to your income

- Illinois Schedule 1299-C for enterprise zone or foreign trade zone/subzone dividends
- U.S. 1040, all pertinent U.S. schedules, **and** your prior year's U.S. Schedule A for recovery amounts
- Illinois Schedule K-1-P, K-1-T, or any other notification that was furnished to you for partnership, S corporation, estate, and trust subtractions
- Illinois Schedule F and any required federal forms or schedules for August 1, 1969, valuation limitation amounts
- The statement that specifically identifies the payer and the amount of obligation for interest on obligations of Illinois state and local government

Line 14 →

Nonresident or Part-year resident

- Illinois Schedule NR

Line 16 →

Recapture of investment credits

- Illinois Schedule 4255 - recapture of investment credits

Line 17 →

Illinois Income Tax withheld

- All W-2, 1099-R, and W-2G forms showing Illinois state tax withheld. Be sure to attach to the front of your Form IL-1040.

Line 19 →

Income tax paid to another state

- Illinois Schedule CR, copies of out-of-state income tax returns, and that state's supporting documents

Line 21 →

Additional credits

- Illinois Schedule 1299-C

Line 25 →

Self-assessed penalties

- Form IL-2210, only if you checked the box in Step 10



IDOR Web site (24 hours a day, 7 days a week)

www.revenue.state.il.us

For

- answers to your tax questions,
- forms,
- publications,
- bulletins,
- current happenings, and more.



Automated tax assistance (24 hours a day, 7 days a week)

The number for our TDD (telecommunications device for the deaf) is **1 800 544-5304**.

1 800 732-8866 or 217 782-3336

Please have your Social Security number ready when you call.

Press 1 to get to your 1999 account information.

- Then press**
- 1** to check your 1999 refund. (Please have your refund amount ready.)
 - 2** to check your 1999 estimated payments and credits.
 - 3** to check your 2000 estimated payments and credits.
 - 4** to check the amount you owe or to set up a payment plan.

Press ABC 2 to get tax information.

- Then press**
- 1** for Individual Income Tax.
 - 2** for Business and Withholding Income Taxes.
 - 3** for Sales and Motor Vehicle Taxes.
 - 4** for penalties and interest.

Press DEF 3 to get to services we provide.

- Then press**
- 1** for information about assistance in the Springfield and Chicago offices.
 - 2** for information on obtaining trainers for Volunteer Income Tax Assistance (VITA) or tax counseling for the elderly.
 - 3** for information on how to get forms faxed to you.
 - 4** for information on our Internet site.
 - 5** for locations of offices located both inside and outside of Illinois where Illinois tax assistance is available.
 - 6** for information on obtaining speakers for special interest groups.
 - 7** for information on assistance for the hearing impaired.

Do you need help or information?

IDOR locations

In Illinois

James R. Thompson Center
100 West Randolph Street
Concourse Level
Chicago 60601-3274

Maine North Regional Building
9511 Harrison Street
Des Plaines 60016-1563

9730 S. Western Avenue
Room 304
Evergreen Park 60805-2876

15 Executive Drive
Suite 2
Fairview Heights 62208-1331

1107 W. DeYoung Street
Suite 2
Marion 62959-4403

3211 Belvidere Road
Park City 60085-6017

2000 W. Pioneer Parkway
Suite 23
Peoria 61615-1866

200 S. Wyman Street
Rockford 61101-1237

4711 44th Street
Rock Island 61201-7190

Willard Ice Building
101 West Jefferson
Springfield 62702

1717 Philo Road
Suite 18
Urbana 61801-8416
245 W. Roosevelt Road
Building 4
West Chicago 60185-0310

In other states

5839 Green Valley Circle
Suite 205
Culver City, CA 90230-6963

Century Plaza
45 Eisenhower Drive
Suite 2
Paramus, NJ 07652-1416

Rock Run Corporate Park
North Building, Suite 215
5700 Lombardo Center
Cleveland, OH 44131-2540

729 S. Jupiter Rd.
Suite 101
Garland, TX 75042

For general tax information

If you have questions about completing your Illinois tax return, you may visit any of the Illinois Department of Revenue offices listed on this page Monday through Friday or use



Look inside the back cover for detailed information.

If you would like to write to us about your tax questions, send to: Illinois Department of Revenue, P.O. Box 19044, Springfield, Illinois 62794-9044. Be sure to include your name, address, Social Security number, tax type, and tax year.

For help in the Springfield or Chicago area

IDOR and the IRS will offer joint taxpayer service starting January 3 and electronic filing starting January 14 at the locations below. These services will be available through April 17.

Willard Ice Building - 101 West Jefferson - Springfield **Business hours:** 8:00 a.m. to 5:00 p.m.

Extended hours this year			
	Begins January 15	<i>Saturdays</i>	8:30 a.m. to 12:30 p.m.
	April 3 thru 7	<i>Monday thru Friday</i>	7:30 a.m. to 6:00 p.m.
	April 10 thru 14	<i>Monday thru Friday</i>	7:30 a.m. to 7:00 p.m.
	April 16	<i>Sunday</i>	12:30 p.m. to 5:30 p.m.
	April 17	<i>Monday</i>	7:30 a.m. to 7:00 p.m.

James R. Thompson Center - 100 West Randolph - Chicago **Business hours:** 8:30 a.m. to 5:00 p.m.

Extended hours this year			
	April 3 thru 7	<i>Monday thru Friday</i>	7:30 a.m. to 6:00 p.m.
	April 10 thru 14	<i>Monday thru Friday</i>	7:30 a.m. to 6:00 p.m.
	April 17	<i>Monday</i>	7:30 a.m. to 7:00 p.m.

Kluczynski Federal Building - 230 South Dearborn - Chicago **Business hours:** 8:00 a.m. to 4:30 p.m.

Extended hours this year			
		<i>Mondays and Thursdays</i>	8:00 a.m. to 5:30 p.m.
	Begins January 15	<i>Saturdays</i>	8:30 a.m. to 12:30 p.m.
	April 16	<i>Sunday</i>	12:30 p.m. to 5:30 p.m.
	April 17	<i>Monday</i>	8:00 a.m. to 7:00 p.m.

For forms and publications



Many Illinois forms are available on our Web site at www.revenue.state.il.us



Certain Illinois forms and publications are available by calling Illinois Tax Fax, our fax-on-demand service, at **217 785-3400**.



Illinois forms and publications are available by calling our 24-hour Forms Order Line at **1 800 356-6302**. Our telephones are available seven days a week.



If you prefer to order Illinois forms and publications by mail, write to Illinois Department of Revenue, P.O. Box 19010, Springfield, Illinois 62794-9010.



During the income tax filing season, Illinois forms are available at banks, libraries, or any taxpayer assistance office listed on this page.

