



Illinois Department of Revenue Schedule 1299-B

Attach to your Form IL-1120 or IL-1041.

Enterprise Zone and Foreign Trade Zone/Sub-Zone Subtractions

For corporations and fiduciaries

Year ending

____ Month ____ Year

Name as shown on your return

Federal employer identification no. (FEIN)

Part I — Enterprise Zone or Foreign Trade Zone/Sub-Zone Dividend Subtraction

Corporate filers (U.S. Forms 1120, 1120F, 1120L, and 1120-PC) – complete Lines 1, 2, and 4.

Fiduciary filers (U.S. Form 1041) – complete Lines 3 and 4.

IL-1120 only

- 1 a Dividend deduction limitation amount (See instructions.) 1a _____
b Dividend deduction amounts (See instructions.) 1b _____
c Limitation ratio. Divide Line 1a by Line 1b and carry to six decimal places. 1c . _____

A	B	C	D	E	F	G	H
Name of enterprise or foreign trade zone/sub-zone	Domestic corporations (See instructions)	(See instructions)	Column B minus Column C	Public utility corporations (See instructions)	(See instructions)	Column E minus Column F	Other dividends

IL-1120 only

- 2 a _____ 2a _____
b _____ 2b _____
c _____ 2c _____
d Total Columns D, G, and H. d _____ 2d _____

IL-1041 only

- 3 a _____ 3a _____
b _____ 3b _____
c _____ 3c _____

4 Dividend subtraction

Form IL-1120 filers Add Line 2d, Columns D, G, and H, and write here and on your Form IL-1120, Part I, Line 5b.

Form IL-1041 filers Add Column H and write here and on your Form IL-1041, Part I, Line 4e. 4 _____

Part II — Contribution Subtraction - Form IL-1120 filers only

A	B	C	D
Name of enterprise zone	Zone organization	Contribution amount	Column C x 2
1 a _____	_____	_____	1a _____
b _____	_____	_____	1b _____
c _____	_____	_____	1c _____

- 2 Contribution subtraction. Add Column D and write here and on your Form IL-1120, Part I, Line 5c. 2 _____

Part III — Interest Subtraction - Form IL-1120 financial organizations only

A	B	C	D	E	F	G	H
Borrower	Property by which loan is secured	Year of investment credit	Zone of secured property	Basis of property	Loan amount	Total interest	Column E ÷ by Column F Multiply result by Column G.
1 a _____	_____	_____	_____	_____	_____	_____	1a _____
b _____	_____	_____	_____	_____	_____	_____	1b _____
c _____	_____	_____	_____	_____	_____	_____	1c _____

- 2 Interest subtraction. Add Column H and write here and on your Form IL-1120, Part I, Line 5d. 2 _____



Schedule 1299-B Instructions

If you are filing an Illinois combined return, complete one Schedule 1299-B for the entire unitary business group.

Note See Illinois Schedule 1299-S, Enterprise Zones, Foreign Trade Zones, and Sub-Zones, for a list of the enterprise zones and foreign trade zone/sub-zones in Illinois, as well as their definitions.

Part I — Enterprise Zone or Foreign Trade Zone/ Sub-Zone Dividend Subtraction

You may claim a subtraction modification for dividends received from a corporation that

- conducts substantially all of its business operations in an Illinois enterprise zone or zones, or
- is designated by the Illinois Department of Commerce and Community Affairs (DCCA) as a "High Impact Business" and conducts business operations in a federally designated foreign trade zone/sub-zone located in Illinois.

Note You may deduct 100 percent of these dividends that are included in Illinois base income. However, dividends eligible for the enterprise zone subtraction are not eligible for the foreign trade zone/sub-zone subtraction.

To determine what to write in Part I, see the specific instructions below for the type of federal return you file.

U.S. Form 1120 filers —

Line 1a — Write the amount from U.S. Schedule C, Line 9.

Line 1b — Write the total of U.S. Schedule C, Column (c), Lines 1 through 8.

Column B, Line 2 — Write the portion of U.S. Schedule C, Column (a), Lines 1, 2, and 3, received from an Illinois enterprise zone or foreign trade zone/sub-zone corporation.

Column C, Line 2 — Multiply each entry in the previous column by the percentage used in U.S. Schedule C, Column (b), Lines 1, 2, and 3. Multiply the result by the limitation ratio on Line 1c and write this amount.

Columns E and F, Line 2 — Follow the instructions for Line 2, Columns B and C respectively, substituting the amounts from U.S. Schedule C, Column (a), Lines 4 and 5.

Column H, Line 2 — Write the portion of U.S. Schedule C, Line 17, received from an Illinois enterprise zone or foreign trade zone/sub-zone corporation.

U.S. Form 1120F filers —

Line 1a — Write the amount from U.S. Schedule C, Line 8.

Line 1b — Write the total of U.S. Schedule C, Column (c), Lines 1 through 7.

Columns B, C, E, and F, Line 2 — Follow the instructions for U.S. Form 1120 Filers.

Column H, Line 2 — Write the portion of U.S. Schedule C, Line 12, received from an Illinois enterprise zone or foreign trade zone sub-zone corporation.

U.S. Form 1120L filers —

Line 1a — Write the amount from U.S. Schedule A, Line 13.

Line 1b — Write the amount from U.S. Schedule A, Line 11.

Column B, Line 2 — Write the portion of U.S. Schedule A, Column (a), Lines 1, 2, and 3, received from an Illinois enterprise zone or foreign trade zone/sub-zone corporation.

Column C, Line 2 — Multiply each entry in Column B by the percentage used in U.S. Schedule A, Column (b), Lines 1, 2, and 3. Multiply the result by the limitation ratio on Line 1c and write this amount.

Columns E and F, Line 2 — Follow the instructions for Line 2, Columns B and C respectively, substituting the amounts from U.S. Schedule A, Lines 4 and 5.

Column H, Line 2 — Write the portion of U.S. Schedule A, Line 14, received from an Illinois enterprise zone or foreign trade zone/sub-zone corporation.

U.S. Form 1120-PC Filers —

Line 1a — Write the amount from U.S. Schedule C, Column (b), Line 25.

Line 1b — Write the total of U.S. Schedule C, Column (b), Line 23.

Column B, Line 2 — Write the portion of U.S. Schedule C, Column (b), Lines 1, 2, and 3, received from an Illinois enterprise zone or foreign trade zone/sub-zone corporation.

Column C, Line 2 — Multiply each entry in Column B by the percentage used to compute U.S. Schedule C, Column (b), Lines 15, 16, and 17. Multiply the result by the limitation ratio on Line 1c and write this amount.

Columns E and F, Line 2 — Follow instructions for Line 2, Columns B and C respectively, substituting the amount from U.S. Schedule C, Column (b), Lines 4 and 5 (for Column B) and Lines 18 and 19 (for Column C).

Column H, Line 2 — Write the portion of U.S. Schedule C, Line 13, received from an Illinois enterprise zone or foreign trade zone/sub-zone corporation.

U.S. Form 1041 Filers —

Lines 1 and 2 — Leave blank.

Column H, Line 3 — Write the portion of U.S. Form 1041, Line 2, received from an Illinois enterprise zone or foreign trade zone/sub-zone corporation.

Part II — Contribution Subtraction - Form IL-1120 filers only

Line 1 — You may deduct twice the amount of any contribution made during your tax year to a designated zone organization to be used for an enterprise zone project approved by DCCA, provided that the contribution qualifies as a charitable contribution under Internal Revenue Code (IRC), Section 170(c).

Column A, Line 1 — Write the name of the enterprise zone that is the site of the project for which the contribution was made.

Column B, Line 1 — Write the name of the designated zone organization to which the contribution was made.

Column C, Line 1 — Write the amount of contribution.

Column D, Line 1 — Multiply each entry in Column C by 2.

Line 2 — Follow the instructions on the form.

Part III — Interest Subtraction -

Form IL-1120 financial organizations only

A **financial organization**, as defined in the Illinois Income Tax Act (IITA), Section 1501(a)(8), may subtract any interest income received during its tax year from a loan made to a borrower, but only to the extent the loan is secured by qualified property* that is eligible for the enterprise zone or high impact business investment credit.

***Qualified property** is property that is tangible, depreciable pursuant to IRC, Section 167, has a useful life of four or more years as of the date placed in service in Illinois, and is acquired by purchase as defined in IRC, Section 179(d). Qualified property can be new or used but cannot have been previously used in Illinois. Such property includes buildings, structural components of buildings, and signs that are real property. It does not include land or improvements to real property that are not a structural component of a building, such as landscaping, sewer lines, local access roads, fencing, parking lots, and other appurtenances.

Any improvement or addition made on or after the date the enterprise zone was designated or the business was designated as a high impact business is considered to be qualified property to the extent that the improvement or addition is of a capital nature, which increases the adjusted basis of the property previously placed in service in Illinois, and otherwise meets the requirements of qualified property.

Column A, Line 1 — Write the name of the borrower eligible to claim the enterprise zone or high impact business investment credit on its Illinois tax return.

Column B, Line 1 — Write a description of each item of qualified property used to secure the loan.

Column C, Line 1 — Write the year the borrower claimed or will claim the credit on the qualified property.

Column D, Line 1 — Write the name of the foreign trade zone/sub-zone or enterprise zone in which the property used as security is located.

Column E, Line 1 — Write the basis of each item of property listed in Column B, used to compute the depreciation deduction for federal income tax purposes.

Column F, Line 1 — Write the amount of the loan.

Column G, Line 1 — Write the interest received for the loan during the tax year.

Column H, Line 1 — Divide each entry in Column E by Column F (cannot exceed one), and multiply the result by Column G.

Line 2 — Follow the instructions on the form.