



Name as shown on the tax return of the member filing the Schedule UB

Federal employer identification number (FEIN)

Part I: Figure your foreign insurer member's tentative tax

Table with 3 columns: A, B, C. Rows 1-28 detailing tax calculations for foreign insurer members, including business income, apportionment factors, and tentative net tax.

**Part II: Figure the tax imposed by the foreign insurer member's state or country of domicile.** See instructions.

	A	B	C
	FEIN	FEIN	FEIN
29 Write the foreign ins. member's state or country of domicile. <b>State or country:</b>	29 _____	_____	_____
30 Write the base income (loss) from your Form IL-1120, Part I, Line 7.	30 _____	_____	_____
31 Write the foreign insurer member's net income from Line 14.	31 _____	_____	_____
32 Multiply Line 30 by Line 8. This is the foreign insurer member's share of base income (loss).	32 _____	_____	_____
33 Figure the pro-forma tax imposed by the foreign insurer member's state or country of domicile, using the income shown on Lines 31 and 32. If the state or country of domicile does not impose an income tax on insurance companies, check the box and write zero on this line. <b>→</b>	33 <input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____

**Part III: Figure your foreign insurer member's income tax reduction limit**

34 Write the foreign insurer member's net premiums taxable under Section 409 of the Illinois Insurance Code and included in your Form IL-1120, Part III, Line 5b.	34 _____	_____	_____
35 Multiply Line 34 by 1.25% (.0125). This is the total tax reduction limit.	35 _____	_____	_____
36 Write the following amounts deducted when you computed this year's federal taxable income for the foreign insurer members:			
<b>a</b> The privilege tax imposed under Section 409 of the Illinois Insurance Code. (Do not include retaliatory tax.)	36a _____	_____	_____
<b>b</b> The fire insurance company tax imposed under Section 12 of the Fire Investigation Act	36b _____	_____	_____
<b>c</b> Any fire department tax imposed under Section 11-10-1 of the Illinois Municipal Code	36c _____	_____	_____
37 Add Lines 36a through 36c.	37 _____	_____	_____
38 Subtract Line 37 from Line 35 (cannot be less than zero.) This is the 1.25 percent income tax reduction limit.	38 _____	_____	_____

**Part IV: Figure your foreign insurer member's tax**

39 Write the foreign insurer member's pro-forma tax from Line 33.	39 _____	_____	_____
40 Write the foreign insurer member's 1.25 percent income tax reduction limit from Line 38.	40 _____	_____	_____
41 Write the greater of Line 39 or Line 40.	41 _____	_____	_____
42 Write the foreign insurer member's tentative replacement tax from Line 15.	42 _____	_____	_____
43 Write the lesser of Line 41 or Line 42. This is the foreign insurer member's replacement tax. <b>Write the total in this space:</b> _____	43 _____	_____	_____
44 If Line 41 is greater than Line 43, subtract Line 43 from Line 41. Otherwise, write "0." This is the maximum net income tax after applying credits.	44 _____	_____	_____
45 Write the foreign insurer member's tentative net income tax from Line 27.	45 _____	_____	_____
46 Write the lesser of Line 44 or Line 45. This is the net income tax after applying credits. <b>Write the total in this space:</b> _____	46 _____	_____	_____
47 Write the foreign insurer member's share of Schedule 1299-D credits from Line 21.	47 _____	_____	_____
48 Write the foreign insurer member's share of carryforward of credit for replacement tax paid from Line 25.	48 _____	_____	_____
49 Add Lines 46 through 48. This is the total income tax before applying credits.	49 _____	_____	_____
50 Write the foreign insurer member's share of recapture from Line 18.	50 _____	_____	_____
51 Subtract Line 50 from Line 49. This is the foreign ins. member's share of income tax before applying recapture and the credit for replacement tax paid.	51 _____	_____	_____
52 Write the number from Form IL-1120, Part IV, Line 5.	52 _____	_____	_____
53 Multiply Line 43 by Line 52. This is the foreign insurer member's base for computing the credit for replacement tax paid.	53 _____	_____	_____
54 Write the foreign insurer member's share of net income from Line 14.	54 _____	_____	_____
55 Subtract Line 53 from Line 54. This is the tax base for computing the credit for replacement tax paid.	55 _____	_____	_____
56 Divide Line 51 by Line 55. Carry to six decimal places. (Cannot exceed our income tax rate of 4.8%.) This is the income tax rate for computing the credit for replacement tax paid.	56 • _____	• _____	• _____

## Part IV: Figure your foreign insurer member's tax (cont.)

	A	B	C
	FEIN	FEIN	FEIN
57 Multiply Line 53 by Line 56. This is the foreign insurer member's credit for replacement tax paid. <b>Write the total in this space:</b> _____	57	_____	_____
58 Add Lines 47, 48, and 57. This is the foreign insurer member's share of credits. <b>Write the total in this space:</b> _____	58	_____	_____
59 Add Lines 46 and 58. This is the foreign insurer member's income tax before applying credits. <b>Write the total in this space:</b> _____	59	_____	_____

## Part V: Figure the net income of your domestic members

60 Write the business income (loss) of the unitary business group from Form IL-1120, Part III, Line 4.	60	_____
61 Figure the apportionment formula		
a Write the total Illinois premiums from Form IL-1120, Part III, Line 5b.	61a	_____
b Write the foreign insurer members' total premiums from the <b>total line</b> of Line 2a.	61b	_____
62 Subtract Line 61b from Line 61a. This is the domestic members' total Illinois premiums.	62	_____
63 Write the everywhere premiums from Form IL-1120, Part III, Line 5a.	63	_____
64 Divide Line 62 by Line 63. Carry to six decimal places. This is the domestic members' apportionment factor.	64	• _____
65 Multiply Line 60 by Line 64. This is the domestic members' business income (loss) apportioned to Illinois.	65	_____
66 Write the domestic members' nonbusiness income (loss) allocable to Illinois.	66	_____
67 Write the domestic members' non-unitary partnership business income (loss) apportioned to Illinois.	67	_____
68 Add Lines 65 through 67. This is the domestic members' base income or net loss allocable to Illinois.	68	_____
69 Write the unitary group's base income or net loss allocable to Illinois from your Form IL-1120, Part III, Line 9.	69	_____
70 Divide Line 68 by Line 69. Carry to six decimal places. This is the domestic members' share of Illinois base income or net loss.	70	• _____
71 Write the Illinois net loss deduction from your Form IL-1120, Part IV, Line 2.	71	_____
72 Multiply Line 71 by Line 70. This is the domestic members' share of the Illinois net loss deduction.	72	_____
73 Subtract Line 72 from Line 68. This is the domestic members' net income before exemption.	73	_____
74 Write the exemption from your Form IL-1120, Part IV, Line 6.	74	_____
75 Multiply Line 74 by Line 70. This is the domestic members' exemption.	75	_____
76 Subtract Line 75 from Line 73. This is the domestic members' net income.	76	_____

## Part VI: Figure your unitary group's total tax

77 Multiply Line 76 by 2.5% (.025). This is the domestic members' replacement tax.	77	_____
78 Write the foreign insurer members' total replacement tax from the <b>total line</b> of Line 43.	78	_____
79 Add Lines 77 and 78. This is your unitary group's total replacement tax. Write here and on your Form IL-1120, Part II, Line 1.	79	_____
80 Multiply Line 76 by 4.8% (.048). This is the domestic members' income tax.	80	_____
81 Write the recapture of investment credits from your Form IL-1120, Part V, Line 2b.	81	_____
82 Multiply Line 81 by Line 70. This is the domestic members' share of recapture.	82	_____
83 Add Lines 80 and 82. This is the total domestic members' tentative income tax plus recapture.	83	_____
84 Write the Schedule 1299-D credits from your Form IL-1120, Part V, Line 4a.	84	_____
85 Multiply Line 84 by Line 70. This is the domestic members' share of Schedule 1299-D credits.	85	_____
86 Write the credit for replacement tax paid from your Form IL-1120, Part V, Line 4b.	86	_____
87 Multiply Line 86 by Line 70. This is the domestic members' share of credit for replacement tax paid.	87	_____
88 Write the carryforward of credit for replacement tax paid from your Form IL-1120, Part V, Line 4c.	88	_____
89 Multiply Line 88 by Line 70. This is the domestic members' share of carryforward of credit for replacement tax paid.	89	_____
90 Add Lines 85, 87, and 89. This is the domestic members' share of credits.	90	_____
91 Subtract Line 90 from Line 83 (cannot be less than zero). This is the domestic members' net income tax.	91	_____
92 Write the foreign insurer members' total income tax before credits from the <b>total line</b> of Line 59.	92	_____
93 Write the foreign insurer members' total share of credits from the <b>total line</b> of Line 58.	93	_____
94 Subtract Line 93 from Line 92. This is the foreign insurer members' total net income tax.	94	_____
95 Add Lines 91 and 94. Write the total here. This is your unitary group's total net income tax.	95	_____
a Write any "LHIGA" and "HMOGA" offsets.	95a	_____
b Subtract Line 95a from Line 95 and write the result here and on your Form IL-1120, Part II, Line 2.	95b	_____
96 Add Lines 79 and 95. This is your unitary group's total tax. Write here and on your Form IL-1120, Part II, Line 3.	96	_____

## Part VII: Figure your unitary group's carryforward of credit for replacement tax paid

**Note:** Use this worksheet instead of the Lines 4b and 4c Worksheet in the Form IL-1120 Instructions.

### Lines 4b and 4c Worksheet

- |   |                |
|---|----------------|
| <b>a</b> Write the credit for replacement tax paid for the current year from Line 86.   | <b>a</b> _____ |
| <b>b</b> Write the credit for replacement tax paid being carried forward from Line 88.  | <b>b</b> _____ |
| <b>c</b> Add Lines a and b.   | <b>c</b> _____ |
| <b>d</b> Write the domestic member's total income tax before applying credits from Line 83.   | <b>d</b> _____ |
| <b>e</b> Write the foreign insurer member's total income tax before applying credits from Line 92.  | <b>e</b> _____ |
| <b>f</b> Add Lines d and e.   | <b>f</b> _____ |
| <b>g</b> Write the amount from Line 84.   | <b>g</b> _____ |
| <b>h</b> Subtract Line g from Line f.   | <b>h</b> _____ |
| <b>i</b> Subtract Line h from Line c. If Line h is greater than Line c, write "0."<br>This is the amount of credit that your unitary group may carry to a succeeding year's return. | <b>i</b> _____ |

## Schedule UB/INS Instructions

### General Information

#### What is the purpose of Schedule UB/INS?

The purpose of Schedule UB/INS, Tax for a Unitary Business Group with Foreign Insurer Members, is to allow your foreign insurer members to possibly reduce the unitary group's Illinois income and replacement tax liability. Effective for tax years ending on or after December 31, 1999, if a member of your unitary group is a foreign insurer, whose state or country of domicile imposes a retaliatory tax on insurers domiciled in Illinois, you should complete this schedule to determine if it would reduce your unitary group's tax liability. The rates are reduced to the point that the total Illinois tax imposed equals the tax the state or country of domicile would impose on the amount of your foreign insurer members' Illinois net income.

**Note:** This reduction in rates does not apply to an insurer that is primarily a reinsurer. If 50 percent or more of a foreign member's total insurance premiums for the tax year are from reinsurance, treat that member as a domestic member on this schedule.

The reduction in tax rates cannot reduce the total of your foreign insurer members' income and replacement taxes, privilege tax, fire insurance taxes, and fire department taxes below 1.25 percent of your foreign insurer members' premiums subject to privilege tax. The rate reduction is applied against income tax first. Once your group's income tax is

reduced to zero, the rate reduction is applied against your group's replacement tax.

### Specific Instructions

**Note:** You must complete Parts I, III, IV, and V of your Form IL-1120 and all parts of Schedule UB before completing Schedule UB/INS. Use additional Schedules UB/INS if you have more than three foreign insurer members.

**Part I** is used to determine each foreign insurer member's share of the total tax liability and credits of the unitary business group.

**Part II** is used to report the income tax (or other tax based on net income) the state or country of domicile would impose on each foreign insurer member's Illinois net income.

**Note:** This is figured by using the total of all tax measured by net income, less credits, imposed by the foreign insurer member's state or country of domicile, on an insurance company with base income (before apportionment) equal to the foreign insurer member's share of base income on Line 32 and net income (after apportionment) equal to the foreign insurer member's share of net income on Line 31.

**Part III** is used to figure your foreign insurer member's 1.25 percent income tax reduction limit.

**Part IV** is used to determine whether a foreign insurer member's liability can be reduced and, if so, the levels to which

the liability can be reduced. This section determines the total liabilities and credits of all foreign members.

**Parts V and VI** are used to determine all the domestic members' share of the total tax liability and credits of your unitary group. These amounts are added to your foreign insurer members' tax liabilities and credits to figure your unitary group's total tax liability and credits.

**Part VII** is used to figure any excess credit for replacement tax paid that may be carried forward.

#### What must I attach to Schedule UB/INS?

For each foreign insurer member for whom you did not check the box on Line 33, you must attach a pro-forma return from that member's state or country of domicile, showing the amount of tax that member would owe to that state or country on its share of your unitary group's Illinois net income.

#### What if I need additional assistance?

If you need additional assistance, visit our Web site at [www.ILtax.com](http://www.ILtax.com); call our Taxpayer Assistance Division at **1 800 732-8866, 217 782-3336**; or call our TDD (telecommunications device for the deaf) at **1 800 544-5304**. Our office hours are 8 a.m. to 5 p.m. If you prefer, you may write to us at P.O. Box 19044, Springfield, Illinois 62794-9044.