



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

Federal employer identification number (FEIN)

Step 1: Figure your foreign insurer member's tentative tax

Table with 3 columns (A, B, C) and 20 rows of tax calculation steps. Includes instructions for business income, apportionment factor, base income, and tentative net tax.

Step 2: Figure the tax imposed by the foreign insurer member's state or country of domicile. See instructions.

Table with 3 columns (A, B, C) and 5 rows of tax calculation steps for state/country tax, including a checkbox for insurance companies.

### Step 3: Figure your foreign insurer member's income tax reduction limit

	A	B	C
	FEIN	FEIN	FEIN
26 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.	26 _____	_____	_____
27 Multiply Line 26 by 1.75% (.0175). This is the total tax reduction limit.	27 _____	_____	_____
28 Write the following amounts deducted when you computed this year's federal taxable income for the foreign insurer members:			
a The privilege tax imposed under Section 409 of the Illinois Insurance Code. (Do not include retaliatory tax.)	28a _____	_____	_____
b The fire insurance company tax imposed under Section 12 of the Fire Investigation Act	28b _____	_____	_____
c Any fire department tax imposed under Section 11-10-1 of the Illinois Municipal Code	28c _____	_____	_____
29 Add Lines 28a through 28c.	29 _____	_____	_____
30 Subtract Line 29 from Line 27 (cannot be less than zero.) This is the 1.75 percent income tax reduction limit.	30 _____	_____	_____

### Step 4: Figure your foreign insurer member's tax

31 Write the foreign insurer member's pro-forma tax from Line 25.	31 _____	_____	_____
32 Write the foreign insurer member's 1.75 percent income tax reduction limit from Line 30.	32 _____	_____	_____
33 Write the greater of Line 31 or Line 32.	33 _____	_____	_____
34 Write the foreign insurer member's tentative replacement tax from Line 12.	34 _____	_____	_____
35 Write the lesser of Line 33 or Line 34. This is the foreign insurer member's replacement tax. <b>Write the total in this space:</b> _____	35 _____	_____	_____
36 If Line 33 is greater than Line 35, subtract Line 35 from Line 33. Otherwise, write "0." This is the maximum net income tax after applying credits.	36 _____	_____	_____
37 Write the foreign insurer member's tentative net income tax from Line 19.	37 _____	_____	_____
38 Write the lesser of Line 36 or Line 37. This is the net income tax after applying credits. <b>Write the total in this space:</b> _____	38 _____	_____	_____
39 Write the foreign insurer member's share of Schedule 1299-D credits from Line 18. <b>Write the total in this space:</b> _____	39 _____	_____	_____
40 Add Lines 38 and 39. This is the foreign insurer member's income tax before applying credits. <b>Write the total in this space:</b> _____	40 _____	_____	_____

### Step 5: Figure the net income of your domestic members

41 Write the business income (loss) of the unitary business group from Form IL-1120, Part III, Line 4.	41 _____	_____	_____
42 Figure the apportionment formula			
a Write the total Illinois premiums from Form IL-1120, Part III, Line 5b.	42a _____	_____	_____
b Write the foreign insurer members' total premiums from the <b>total line</b> of Line 2a.	42b _____	_____	_____
43 Subtract Line 42b from Line 42a. This is the domestic members' total Illinois premiums.	43 _____	_____	_____
44 Write the everywhere premiums from Form IL-1120, Part III, Line 5a.	44 _____	_____	_____
45 Divide Line 43 by Line 44. Carry to six decimal places. This is the domestic members' apportionment factor.	45 _____	_____	_____
46 Multiply Line 41 by Line 45. This is the domestic members' business income (loss) apportioned to Illinois.	46 _____	_____	_____
47 Write the domestic members' nonbusiness income (loss) allocable to Illinois.	47 _____	_____	_____
48 Write the domestic members' non-unitary partnership business income (loss) apportioned to Illinois.	48 _____	_____	_____
49 Add Lines 46 through 48. This is the domestic members' base income or net loss allocable to Illinois.	49 _____	_____	_____
50 Write the unitary group's base income or net loss allocable to Illinois from your Form IL-1120, Part III, Line 9.	50 _____	_____	_____
51 Divide Line 49 by Line 50. Carry to six decimal places. This is the domestic members' share of Illinois base income or net loss.	51 _____	_____	_____
52 Write the Illinois net loss deduction from your Form IL-1120, Part IV, Line 2.	52 _____	_____	_____
53 Multiply Line 52 by Line 51. This is the domestic members' share of the Illinois net loss deduction.	53 _____	_____	_____
54 Subtract Line 53 from Line 49. This is the domestic members' net income.	54 _____	_____	_____

## Step 6: Figure your unitary group's total tax

- |  |                 |
|--|-----------------|
| <b>55</b> Multiply Line 54 by 2.5% (.025). This is the domestic members' replacement tax.  | <b>55</b> _____ |
| <b>56</b> Write the foreign insurer members' total replacement tax from the <b>total line</b> of Line 35.  | <b>56</b> _____ |
| <b>57</b> Add Lines 55 and 56. This is your unitary group's total replacement tax.<br>Write here and on your Form IL-1120, Part II, Line 1.          | <b>57</b> _____ |
| <b>58</b> Multiply Line 54 by 4.8% (.048). This is the domestic members' income tax.   | <b>58</b> _____ |
| <b>59</b> Write the recapture of investment credits from your Form IL-1120, Part V, Line 2b.   | <b>59</b> _____ |
| <b>60</b> Multiply Line 59 by Line 51. This is the domestic members' share of recapture.   | <b>60</b> _____ |
| <b>61</b> Add Lines 58 and 60. This is the total domestic members' tentative income tax plus recapture.  | <b>61</b> _____ |
| <b>62</b> Write the Schedule 1299-D credits from your Form IL-1120, Part V, Line 4.  | <b>62</b> _____ |
| <b>63</b> Multiply Line 62 by Line 51. This is the domestic members' share of Schedule 1299-D credits.   | <b>63</b> _____ |
| <b>64</b> Subtract Line 63 from Line 61 (cannot be less than zero). This is the domestic members' net income tax.                                    | <b>64</b> _____ |
| <b>65</b> Write the foreign insurer members' total income tax before credits from the <b>total line</b> of Line 40.                                  | <b>65</b> _____ |
| <b>66</b> Write the foreign insurer members' total share of credits from the <b>total line</b> of Line 39.   | <b>66</b> _____ |
| <b>67</b> Subtract Line 66 from Line 65. This is the foreign insurer members' total net income tax.  | <b>67</b> _____ |
| <b>68</b> Add Lines 64 and 67. This is your unitary group's total net income tax.<br>Write the total here and on your Form IL-1120, Part II, Line 2. | <b>68</b> _____ |
| <b>69</b> Add Lines 57 and 68. This is your unitary group's total tax.<br>Write here and on your Form IL-1120, Part II, Line 3.                      | <b>69</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 1.75 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.

**Step 1** is used to determine each foreign insurer member's share of the total tax liability and credits of the unitary business group.

**Step 2** 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 24 and net income (after apportionment) equal to the foreign insurer member's share of net income on Line 23.

**Step 3** is used to figure your foreign insurer member's 1.75 percent income tax reduction limit.

**Step 4** 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.

**Steps 5 and 6** 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.

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

For each foreign insurer member for whom you did not check the box on Line 25, 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, Monday through Friday, 8 a.m. to 5 p.m. at **1 800 732-8866, 217 782-3336**, or our TDD (telecommunications device for the deaf) at **1 800 544-5304**; or
- write to us at P.O. Box 19044, Springfield, Illinois 62794-9044.