



**Step 3: Continued**

	Column A Federal Total	Column B Illinois Portion
<b>21</b> Write the Illinois portion of your federal total income from Page 1, Step 3, Line 20.	<b>21</b>	_____
<b>22</b> Deduction for Educator Expenses (federal Form 1040, Line 23; or 1040A, Line 16)	<b>22</b>	_____
<b>23</b> Certain business expenses of reservists, performing artists, and fee-based government officials (federal Form 1040, Line 24)	<b>23</b>	_____
<b>24</b> Deduction for health savings account (federal Form 1040, Line 25)	<b>24</b>	_____
<b>25</b> Moving expenses (federal Form 1040, Line 26)	<b>25</b>	_____
<b>26</b> Deduction for one-half of self-employment tax (federal Form 1040, Line 27)	<b>26</b>	_____
<b>27</b> Self-employed (SEP), SIMPLE, and qualified plans (federal Form 1040, Line 28)	<b>27</b>	_____
<b>28</b> Self-employed health insurance deduction (federal Form 1040, Line 29)	<b>28</b>	_____
<b>29</b> Penalty on early withdrawal of savings (federal Form 1040, Line 30)	<b>29</b>	_____
<b>30</b> Alimony paid (federal Form 1040, Line 31a)	<b>30</b>	_____
<b>31</b> Total IRA deduction (federal Form 1040, Line 32; or 1040A, Line 17)	<b>31</b>	_____
<b>32</b> Deduction for student loan interest (federal Form 1040, Line 33; or 1040A, Line 18)	<b>32</b>	_____
<b>33</b> Deduction for tuition and fees (federal Form 1040, Line 34; or 1040A, Line 19)	<b>33</b>	_____
<b>34</b> Domestic production activities deduction (federal Form 1040, Line 35)	<b>34</b>	_____
<b>35</b> Other adjustments (see instructions)	<b>35</b>	_____
<b>36</b> Add Column B, Lines 22 through 35. This is the Illinois portion of your federal adjustments to income.	<b>36</b>	_____
<b>37</b> Write your adjusted gross income as reported on your federal Form 1040, Line 37; 1040A, Line 21; 1040EZ, Line 4.	<b>37</b>	_____
<b>38</b> Subtract Line 36 from Line 21. This is the Illinois portion of your federal adjusted gross income.	<b>38</b>	_____

**Step 4: Figure your Illinois additions and subtractions**

In Column A, write the total amounts from your Form IL-1040. You must read the instructions for Column B to properly complete this step.

	Column A Form IL-1040 Total	Column B Illinois Portion
<b>39</b> Federally tax-exempt interest income (Form IL-1040, Line 2)	<b>39</b>	_____
<b>40</b> Other additions (Form IL-1040, Line 3)	<b>40</b>	_____
<b>41</b> Add Column B, Lines 38, 39, and 40. This is the Illinois portion of your total income.	<b>41</b>	_____
<b>42</b> Federally taxed Social Security and retirement income (Form IL-1040, Line 5)	<b>42</b>	_____
<b>43</b> Illinois Income Tax overpayment included on your U.S. 1040, Line 10. (Form IL-1040, Line 6)	<b>43</b>	_____
<b>44</b> Other subtractions (Form IL-1040, Line 7)	<b>44</b>	_____
<b>45</b> Add Column B, Lines 42 through 44. This is the total of your Illinois subtractions.	<b>45</b>	_____

**Step 5: Figure your Illinois income and tax**

<b>46</b> Subtract Line 45 from Line 41. If Line 45 is larger than Line 41, write zero. This is your <b>Illinois base income</b> . Write this amount on your Form IL-1040, Line 12. <span style="float: right;">➔</span>	<b>46</b>	_____
If Line 46 is zero, skip Lines 47 through 51, and write "0" on Line 52.		
<b>47</b> Write the base income from Form IL-1040, Line 9.	<b>47</b>	_____
<b>48</b> Divide Line 46 by Line 47 (carry to three decimal places). Write the appropriate decimal. If Line 46 is greater than Line 47, write 1.000.	<b>48</b>	_____
<b>49</b> Write your exemption allowance from your Form IL-1040, Line 10.	<b>49</b>	_____
<b>50</b> Multiply Line 49 by the decimal on Line 48. This is your Illinois exemption allowance.	<b>50</b>	_____
<b>51</b> Subtract Line 50 from Line 46. This is your Illinois net income.	<b>51</b>	_____
<b>52</b> Multiply the amount on Line 51 by 3% (.03). This amount may not be less than zero. This is your <b>tax</b> before recapture of investment credits. Write this amount on your Form IL-1040, Line 13. <span style="float: right;">➔</span>	<b>52</b>	_____

