

**Schedule SA**For tax years ending **on** or **after** January 1, 2011
Attach to Form IL-1120 as the **first** attachment.**Specific Accounting Method
of Computing Net Income
for Corporations**

Tax year ending

Month

Year

Step 1 — Provide the following business information**A** Write your complete legal business name as shown on Form IL-1120.

Name: _____

B Write your federal employer identification no. (FEIN).

____ - ____ - ____ - ____ - ____ - ____

Step 2 — Figure your business income or loss

| | A Pre-1/1/11 figures | B Post-12/31/10 figures |
|---|-----------------------------------|--------------------------------------|
| 1 Federal taxable income or loss. (IL-1120, Line 1) | _____ | _____ |
| 2 Federal net operating loss deduction. (IL-1120, Line 2) | _____ | _____ |
| 3 Illinois addition modifications. (IL-1120, Lines 3 through 8) | _____ | _____ |
| 4 Total income or loss. Add Lines 1 through 3. (IL-1120, Line 9) | _____ | _____ |
| 5 Illinois subtraction modifications. (IL-1120, Line 22) | _____ | _____ |
| 6 Illinois base income or loss. (IL-1120, Line 23) | _____ | _____ |
| 7 Nonbusiness income or loss. (IL-1120, Line 24) | _____ | _____ |
| 8 Business income or loss from non-unitary partnerships, trusts, or estates. See instructions. (IL-1120, Line 25) | _____ | _____ |
| 9 Add Lines 7 and 8. (IL-1120, Line 26) | _____ | _____ |
| 10 Business income or loss. Subtract Line 9 from Line 6. (IL-1120, Line 27) | _____ | _____ |

Step 3 — Figure your apportionment factor

| | | |
|--|------------|---------|
| 11 Write the net sales everywhere. (IL-1120, Line 28) | _____ | |
| 12 Write the net sales within Illinois. (IL-1120, Line 29) | _____ | |
| 13 Apportionment factor. Divide Line 12 by Line 11 and carry to six decimal places. (IL-1120, Line 30) | ____._____ | |
| 14 Illinois business income or loss. Multiply Line 13 by Line 10, for each column. (IL-1120, Line 31) | _____ | _____ |
| 15 Nonbusiness income or loss. (IL-1120, Line 32) | _____ | _____ |
| 16 Nonunitary partnership, S corporation, trust, or estate business income or loss. (IL-1120, Line 33) | _____ | _____ |
| 17 Base income or net loss allocable to Illinois. Add Lines 14 through 16. (IL-1120, Line 35) | ◆ _____ | ◆ _____ |

Step 4 — Figure your income tax

| | | |
|--|-------|-------|
| 18 Tax. Multiply Column A, Line 17 by 4.8% (.048). Multiply Column B, Line 17 by 7.0% (.07) | _____ | _____ |
| 19 Add Columns A and B, Line 18, and write the total here and on your Form IL-1120, Line 45. | | _____ |

Schedule SA Instructions

General Information

The purpose of Schedule SA, Specific Accounting, is to provide a means for calculating your income and tax at separate rates, due to an income tax rate increase in the middle of the tax year. The Schedule SA allows you to figure your tax based on the specific accounting method.

- **Specific accounting method** - The specific accounting method allows you to treat your net income or loss and modifications as though they were earned in two different taxable years. For corporations, the amount earned prior to January 1, 2011, is taxed at 4.8 percent. The amount earned on or after January 1, 2011, is taxed at 7 percent. The two tax amounts are then added together to get the total tax liability.

Note If you are a 52/53 week filer electing to use the Specific Accounting method, you must accurately show the division of income on Schedule SA. However, if your tax year ends on or immediately after January 1, 2011, you will be eligible to use any available Illinois net loss deduction (NLD) against all of your income on Form IL-1120, Corporation Income and Replacement Tax Return.

Who should use Schedule SA?

You must use Schedule SA if you elect not to use the blended rate method of computing your tax when the rate changes in the middle of the tax year. The blended rate method taxes your income as if you received it evenly throughout the year.

If you actually earned more of your income during the period to which the 4.8 percent tax rate applies, electing to use the specific accounting method on Schedule SA to determine how much of your income is taxed at the 4.8 percent rate and how much is taxed at the 7 percent rate will reduce your tax liability. The election is made by attaching Schedule SA to your timely-filed original return. Once the election is made, it is irrevocable.

Specific Instructions

Step 1 — Provide your business information

Line A — Write the name of your corporation, as shown on your Form IL-1120.

Line B — Write your FEIN as shown on your Form IL-1120.

Step 2 — Figure your business income or loss and Step 3 — Figure your apportionment factor

Column A — For each line item, write the amount of income earned before January 1, 2011.

Column B — For each line item, write the amount of income earned on or after January 1, 2011.

Note All items of income, deduction and loss passed through to you by a partnership, S corporation, trust, or estate are treated as received by you on the last day of that entity's taxable year.

| The total amount from Columns A and B Line — | Must equal the amount on Form IL-1120, Line — |
|---|--|
| 1 | 1 |
| 2 | 2 |
| 3 | 3 through 8 combined |
| 4 | 9 |
| 5 | 22 |
| 6 | 23 |
| 7 | 24 |
| 8 | 25 |
| 9 | 26 |
| 10 | 27 |
| 11 | 28 |
| 12 | 29 |
| 13 | 30 |
| 14 | 31 |
| 15 | 32 |
| 16 | 33 |
| 17 | 35 |

Step 4 — Figure your income tax

Lines 18 and 19 — Follow the instructions on the form.

Note For fiscal 2011 returns filed on 2010 forms, attach this form directly behind your Form IL-1120, as **Attachment No. 1**. This attachment supersedes all other attachments.