



Schedule SA

For tax years ending on or after January 1, 2011
Attach to your Form IL-1040 as the first attachment.

Specific Accounting Method of Computing Net Income for Individuals

Tax year ending

Month Year

Step 1: Personal Information

Your name as shown on Form IL-1040

Your Social Security number

Step 2: Income

	A Pre-1/1/11 figures	B Post-12/31/10 figures
1 Federal adjusted gross income (IL-1040, Line 1)	_____	_____
2 Federally tax-exempt interest and dividend income (IL-1040, Line 2)	_____	_____
3 Other additions to income (IL-1040, Line 3)	_____	_____
4 Total income. Add Lines 1 through 3. (IL-1040, Line 4)	_____	_____
5 Income from Social Security benefits and retirement plans if included in Line 1 (IL-1040, Line 5)	_____	_____
6 Illinois income tax overpayment included in U.S. 1040, Line 10 (IL-1040, Line 6)	_____	_____
7 Other subtractions to income (IL-1040, Line 7)	_____	_____
8 Total subtractions. Add Lines 5, 6, and 7. (IL-1040, Line 8)	_____	_____
9 Illinois base income. Subtract Line 8 from Line 4. (IL-1040, Line 9)	_____	_____
Residents: Skip Step 3 and write the amounts from Line 9 on Line 20.		
Nonresidents: Complete Step 3 and follow the instructions.	_____	_____

Step 3 — Figure your apportionment factor — Nonresidents only

10 Nonbusiness income or loss. See instructions.	_____	_____
11 Business income or loss from nonunitary partnerships, S corporations, trusts, or estates. See instructions.	_____	_____
12 Add Lines 10 and 11.	_____	_____
13 Business income or loss. Subtract Line 12 from Line 9.	_____	_____
14 Write the net sales everywhere. See instructions.	_____	_____
15 Write the net sales within Illinois. See instructions.	_____	_____
16 Apportionment factor. Divide Line 15 by Line 14 and carry to six decimal places.	_____ . _____	_____ . _____
17 Business income or loss apportionable to Illinois. Multiply Line 16 by Line 13, for each column.	_____	_____
18 Nonbusiness income or loss allocable to Illinois.	_____	_____
19 Non-unitary partnerships, S corporations, trusts or estates business income or loss apportionable to Illinois.	_____	_____

Step 4 — Net income and tax

20 Net income or loss allocable to Illinois. Residents: Write the amounts from Line 9 of each column. (IL-1040, Line 9) Nonresidents: Add Lines 17, 18, and 19. (Schedule NR, Line 46)	_____	_____
21 Standard exemption (IL-1040, Line 10 or Schedule NR, Line 50)	_____	_____
22 Net income. Subtract Line 21 from Line 20. (IL-1040, Line 11 or Schedule NR, Line 51)	◆ _____	◆ _____
23 Tax. Column A: Multiply Line 22 by 3% (.03). Column B: Multiply Line 22 by 5% (.05).	_____	_____
24 Add Columns A and B, Line 23, and write the total here and on your Form IL-1040, Line 13.	_____	_____

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 change in the middle of the tax year. Schedule SA allows you to figure your tax based on the 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 individuals, the amount earned prior to January 1, 2011, is taxed at 3 percent. The amount earned on or after January 1, 2011, is taxed at 5 percent. The two tax amounts are then added together to get the total tax liability.

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 3 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 3 percent rate and how much is taxed at the 5 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— Personal information

Write your name and Social Security number, as shown on your Form IL-1040.

Step 2 — Income

Column A — For each line item, write the amounts included for the portion of your tax year that comes before January 1, 2011, based on your method of allocation.

Column B — For each line item, write the amounts included for the portion of your tax year that comes after December 31, 2010, based on your method of allocation.

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.

Note **Full-year Illinois residents:** Skip Step 3, write the amount from Line 9 on Step 4, Line 20, and complete the rest of the form.

Nonresidents and part-year residents: Complete Steps 3 and 4.

Step 3 — Figure your apportionment factor - Nonresidents only

If you completed Form IL-1040, Schedule NR, Nonresident and Part-Year Resident Computation of Illinois Tax, you must complete Step 3 to apportion business income and allocate nonbusiness income to Illinois appropriately.

Line 10 — Write the amount of nonbusiness income or loss included in Line 9. The amount of nonbusiness income is represented in the amounts shown on your Schedule NR, Steps 3 and 4, Column A.

Line 11 — Write the amount of business income or loss from nonunitary partnerships, S corporations, trusts, or estates, as shown on your Schedule NR, Steps 3 and 4, Column A.

Lines 14 through 16 — Write the amounts calculated on the Business or Farm Income Apportionment Formula Worksheet in the Schedule NR instructions.

Line 18 — Write the amount of nonbusiness income or loss included in Line 9 allocated to Illinois on your Schedule NR, Steps 3 and 4, Column B.

Line 19 — Write the amount of business income apportioned to Illinois by a partnership, S corporation, trust, or estate, as reported to you on Schedules K-1-P or K-1-T, Steps 4 and 5 and included in Column B of your Schedule NR.

Line 21 — Prorate your exemption allowance between the two separate tax periods based on the number of days in each tax period.

- Divide the number of days in each tax period by the total number of days in the tax year.
- Round the result to six decimal places.
- Multiply the decimal by the total exemption allowance. See Form IL-1040, Line 10 or Schedule NR, Line 50 for your total exemption allowance amount.

Note The sum of Column A and Column B cannot exceed your total exemption allowance amount.

Step 4 — Figure your income tax

Lines 20 through 22 — Follow the instructions on the form.

The total from Columns A and B Line	Must equal the amount on
20	Form IL-1040, Line 9 or Schedule NR, Line 46
21	Form IL-1040, Line 10 or Schedule NR, Line 50
22	Form IL-1040, Line 11 or Schedule NR, Line 51

Lines 23 and 24 — Follow the instructions on the form.

Note For fiscal year 2011 returns, attach this form directly behind your Form IL-1040, as Attachment No. 1. This attachment supersedes all other attachments.