



2011 Form IL-2210 Instructions

General Information

What is the purpose of this form?

This form allows you to figure penalties you may owe if you did not

- make timely estimated payments,
- pay the tax you owe by the original due date, or
- file a processable return by the extended due date.

Note Form IL-2210, Computation of Penalties for Individuals, may only be used with original returns. This includes any corrected return filed before the extended due date of the return.

Do I need to complete this form if I owe penalties?

No, you do not need to complete this form if you owe penalties. We encourage you to let us figure your penalties and send you a bill instead of completing and filing this form yourself.

If you let us figure your penalties, complete your Form IL-1040 as usual, leave Line 32 on your Form IL-1040 blank, and do not attach Form IL-2210.

However, you must complete this form if you

- use the annualized income installment method in Step 6; or
- choose to write the actual amount of tax withheld in each quarter in Step 2, Line 10b.

For more information, see Publication 103, Penalties and Interest for Illinois Taxes. To receive a copy of this publication, visit our website at tax.illinois.gov, call our 24-hour Forms Order Line at 1 800 356-6302, or call our TDD (telecommunications device for the deaf) at 1 800 544-5304.

What is late-payment penalty?

Late-payment penalty is a penalty assessed for failure to pay the tax you owe by the due date. This penalty could result from two different underpayment situations and is assessed at either 2 percent or 10 percent of the unpaid liability based on the number of days the payment is late. The penalty rates used on this form are for returns due **on or after January 1, 2005**. For returns due before January 1, 2005, see Publication 103.

You will be assessed a **late-payment penalty for unpaid tax** if you did not pay the total tax you owe by the original due date of the return. **An extension of time to file does not extend the amount of time you have to make your payment.**

You will be assessed a **late-payment penalty for underpayment of estimated tax** if you were required to make estimated tax payments and failed to do so, or failed to pay the required amount by the payment due date.

You do **not** owe a late-payment penalty for underpayment of estimated tax if

- you qualify as a farmer for this year;
- you were not required to file Form IL-1040 for last year;
- last year's Form IL-1040 had a zero tax liability (Form IL-1040, Line 16 minus Lines 17, 18, 19, 24, 26, and 27);
- this year's tax liability (Form IL-1040, Line 15 minus Lines 16, 17, 18, 25, 27, and 28) is \$500 or less; or
- you or your spouse were 65 years of age or older, **and** permanently lived in a nursing home during this year.

What is late-filing or nonfiling penalty?

Late-filing or nonfiling penalty is a penalty assessed for failure to file a processable return by the extended due date. This penalty is the lesser of \$250 or 2 percent of the tax amount required to be shown due on your return, reduced by withholding and payments made by the original due date and any credits allowed on your return (2011 Form IL-1040, Lines 16, 17, 18, and 28.)

An additional penalty will be assessed if you do not file a processable return within 30 days of the date we notify you that we are not able to process your return. This additional penalty is equal to the greater of \$250 or 2 percent of the tax shown on your return, determined **without** regard to any payments and credits, and may be assessed up to a maximum of \$5,000.

What if I underpaid my estimated tax because of a change in the law during the tax year?

If a change in the Illinois Income Tax Act (IITA) enacted during the tax year increased your liability and the new statute does not specifically provide for relief from penalties, you may reduce or eliminate your penalty for underpayment of estimated tax by using the annualized income installment method in Step 6 and computing your income and liability for each period according to the IITA as in effect as of the end of that period. See Specific Instructions for Step 6.

Specific Instructions

Step 1: Provide the following information

Follow the instructions on the form.

Step 2: Figure your required installments

Line 1 – Write in Column A the tax shown on your Form IL-1040, Line 15, for this year. Write in Column B the tax shown on your Form IL-1040, Line 16, for last year.

Note For Columns A and B, if a corrected return was filed for either year on or before the automatic six-month extension date, the corrected tax should be used. If an amended return was filed for either year after the automatic six-month extension date, use the most current tax reported **prior** to the extension date.

Line 2 – Write in Column A the total amount of credits you claimed on your Form IL-1040, Lines 16, 17, 18, and 28, for this year. Write in Column B the total amount of credits you claimed on your Form IL-1040, Lines 17, 18, 19, and 27, for last year. **Do not** include your tax withheld or estimated payments on these lines.

Note If you are filing a joint return this year and you and your spouse did not file a joint return last year, write in Column B the total of the taxes shown on both of your IL-1040 returns for last year.

If you filed a joint return last year and you are either filing separate returns this year or filing a joint return with a different spouse, skip Lines 1 and 2 of Column B. Write in Column B, Line 3, the following calculation:

Tax minus credits shown on last year's joint return	X	Tax minus credits you would have shown on a separate return for last year. <hr style="border: 0.5px solid black;"/> Total of the taxes minus credits you and your spouse would have shown on separate returns for last year.
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Lines 3 through 6 and Line 8 – Follow the instructions on the form.

Line 7 – If Line 5 is \$500 or less or if you checked the box on your Form IL-1040, Line 32a or 32b indicating you are not required to make estimated tax payments, write zero and skip to Step 3. Otherwise, follow the instructions on the form.

Note We will waive the late payment penalty for underpayment of estimated tax if you timely paid the lesser of 100 percent (rather than 150 percent, as previously published) of the prior year's tax liability or 90 percent of the current year's tax liability. This form reflects that waiver.

Line 9a - For each quarter, write the date that corresponds with the 15th day of the 4th, 6th, and 9th month of your tax year and the 15th day of the first month following the end of your tax year. If this date falls on a weekend or holiday, use the next business day.

Line 9b – Write the amount of your required installment for each due date shown. For most taxpayers, this is the amount shown on Line 8. However, if you annualize your income, you must complete Step 6 to determine the amount of your required installment for each due date. For taxpayers who annualize, this is the amount shown on Step 6, Line 53.

Note Annualized income installment method: If your income was **not** received evenly throughout the year, you may be able to lower or eliminate the amount of your required installments by using the annualized income installment method in Step 6. If you choose to annualize your income in Step 6, you must use this method for all four installments.

Line 10a – Quarter 1: Write the amount of any overpayment carried forward from your prior year Form IL-1040.

Note If your prior year return was filed after the extended due date, the amount you requested as credit to this year's estimated tax was refunded to you. If you returned the refund check uncashed and requested it to be credited as a payment, it was credited on the date we issued the refund check. If any of this overpayment was credited after the original due date, you must enter the overpayment on Line 20 instead of this line.

Line 10b – Quarters 1 through 4: Write one-fourth of the total tax withheld (or the actual tax withheld from your wages for each quarter).

Note We consider you to have paid Illinois tax withheld evenly over the entire year unless you send us copies of pay stubs or a letter from your employer that states the amounts actually withheld during each quarter. To figure even payments of tax withheld, divide the total amount withheld by four. If you file a joint return, include the tax withheld for both you and your spouse.

Line 10c – Quarters 1 through 4: Write the amount of pass-through entity payments made on your behalf and shown on Schedule K-1-P, Partner's or Shareholder's Share of Income, Deductions, Credits, and Recapture, or K-1-T, Beneficiary's Share of Income and Deductions. Write the entire amount in the quarter in which the pass-through entity's tax year ended.

Lines 10d and 11 – Follow the instructions on the form.

Lines 12 and 13 – Complete Lines 12 and 13 of each quarter before proceeding to the next quarter. Follow the instructions on the form.

Step 3: Figure your unpaid tax

Lines 14 through 18 – Follow the instructions on the form.

Line 19 – Subtract Line 18 from Line 17. If the amount is

- **positive**, write the amount here. You owe a late-payment penalty for unpaid tax. Write this amount in Penalty Worksheet 2, Line 23, Column C and continue to Step 4.
- **zero or negative**, write the amount here. If the result is negative use brackets. Continue to Step 4 and complete Penalty Worksheet 1.

Step 4: Figure your late-payment penalty

Use Penalty Worksheet 1 to figure your late-payment penalty for underpayment of estimated tax. Use Penalty Worksheet 2 to figure your late-payment penalty for unpaid tax.

Note You must follow the instructions to properly complete the penalty worksheets.

Line 20 – Write your payments, regardless of the type of payment, and the date you made the payment. List the payments in date order.

Do not include tax credits, pass-through entity payments made on your behalf, or withholding.



Penalty Worksheet 1 Late-payment penalty for underpayment of estimated tax

If the amount on Line 13 is positive (greater than zero) for any quarter, you may owe a late-payment penalty for underpayment of estimated tax. Use this worksheet to figure the penalty for any unpaid quarter.

Note If you paid the required amount from Line 13 by the due date in Step 2, Line 9a for each quarter, do not complete Penalty Worksheet 1.

Line 21 – Follow the instructions below for each column.

Column B - Write in Quarters 1 through 4, the installment due date for each quarter from Step 2, Line 9a.

Column C - Write the amounts from Step 2, Line 13, on the first line of Column C for each quarter.

Column D – Apply the payment with the earliest date from Line 20 to the first unpaid quarter. Complete Columns E through I.

Continue applying payments in date order until all unpaid amounts in Column C have been satisfied (Column E is zero or has an overpayment for all unpaid quarters), or you have no more payments to apply. See the example on Page 4.

Column E – Subtract the payment in Column D from the unpaid amount in Column C.

If the result is **positive**, complete Columns F through I. Write this positive (unpaid) amount on the next line in Column C. Continue applying payments in date order until Column E is an overpayment, zero, or you have written "0" in Column D.

If the result is **negative or zero**, you have paid this quarter. Write the amount here and, if negative, use brackets. Complete Columns F through I. Apply any negative (overpayment) amount in Column E to the next underpaid quarter.

Note If this amount is negative in the fourth quarter, and the payment date in Column F is after the original due date of the return, apply this overpayment to any unpaid tax shown on Penalty Worksheet 2, Line 23 when figuring your late payment penalty for unpaid tax. See the instructions for Penalty Worksheet 2, Column D. If you wrote "0" in Column D, write the amount from Column C here, and complete Columns F through I.

Column F – Write the date the payment in Column D was made. If Column D is "0," do not write a date and skip to Column H.

Column G – Figure the number of days from the date in Column B to the date in Column F and write that number here. This is the number of days the payment was late.

Column H – Write the penalty rate that applies to the number of days you wrote in Column G. See the penalty rates on Form IL-2210, Page 2. If Column D is "0," write 10 percent (.10) here.

Column I – Figure this amount using the **payment portion** in either Column C or Column D.

If Column D is "0" or if Column E is "0" or an overpayment, multiply the unpaid amount in **Column C** by the penalty rate in **Column H**. Otherwise, multiply the payment amount in **Column D** by the penalty rate in **Column H**. Write the amount here.

Line 22 – Add Column I, Quarters 1 through 4. This is your late-payment penalty for underpayment of estimated tax. Write the amount here and on your Form IL-1040, Line 32.



Penalty Worksheet 2 Late-payment penalty for unpaid tax

Line 23– Follow the instructions below for each column.

Column B – Write the original due date of your return.

Column C – Write any positive amount from Line 19 on the first line of Column C.

Column D – If you completed Penalty Worksheet 1 and you have a negative amount (overpayment) in the 4th quarter of Column E, and the payment date in Column F is after the original due date of your return, apply the overpayment from Line 21, Column E, as the first payment for Line 23, Column D, and complete Columns E through I. Continue applying unused payments from Step 4, Line 20, in date order until the unpaid amount in Column C has been satisfied (Column E is zero or an overpayment), or you have no more payments to apply. See the example on Page 4.

If you have no more payments to apply and Column C remains unpaid, write “0” in Column D, and complete Columns E through I.

Column E – Subtract the payment in Column D from the unpaid amount in Column C.

If the result is **positive**, complete Columns F through I. Write this positive (unpaid) amount on the next line in Column C, and continue completing Columns D through I. Continue doing this until Column E is an overpayment, zero, or you have written “0” in Column D.

If the result is **negative or zero**, you have paid your tax. Write the amount here and, if negative, use brackets. Complete Columns F through I.

If you have written “0” in Column D, write the amount from Column C here, and complete Columns F through I.

Column F – Write the date the payment in Column D was made. If

- you are applying an overpayment from Penalty Worksheet 1, Column E, write the date that corresponds to that payment, shown on Line 20.
- Column D is “0,” do not write a date and skip to Column H.

Column G – Figure the number of days from the date in Column B to the date in Column F and write that number here. This is the number of days the payment was late.

Column H – Write the penalty rate that applies to the number of days you wrote in Column G. See the penalty rates on Form IL-2210, Page 2. If Column D is “0” and you did not write a date in Column F, write 10 percent (.10) here.

Column I – Figure this amount using the **payment portion** in either Column C or Column D.

If Column D is “0” or if Column E is “0” or an overpayment, multiply the unpaid amount in **Column C** by the penalty rate in **Column H**. Otherwise, multiply the payment amount in **Column D** by the penalty rate in **Column H**. Write the amount here.

Line 24 – Add Column I. This is your late-payment penalty for unpaid tax. Write this amount here and in Step 5, Line 33.

Step 5: Figure your late-filing penalty and the amount you owe

Figure your late-filing penalty

Complete Lines 25 through 32 to figure your late-filing penalty **only** if

- you are filing your Form IL-1040 after the extended due date of your return; and
- your tax was not paid by the original due date of your return.

Unless both of these apply, you do not owe a late-filing penalty.

Lines 25 through 32 – Follow the instructions on the form.

Figure the amount you owe

Lines 33 through 35 – Follow the instructions on the form.

Line 36 – Add Lines 33 through 35. Write the total on this line. If the result is positive, this is the total of your tax, late-payment penalty for unpaid tax, and your late-filing penalty. See Form IL-1040, Line 39, instructions for your payment options.

Step 6: Complete the annualization worksheet for Step 2, Line 9b

Unless you made timely estimated payments, annualizing your income will usually not reduce your penalty. If you complete the annualization worksheet, check the box on your Form IL-1040, Line 32c, and attach Form IL-2210 to your return.

Complete Lines 37 through 53 of one column before going to the next, beginning with Column A.

If the IITA was amended during your tax year and changed how you compute your net income or credits, and the amendment does not provide relief for taxpayers who computed their estimated tax obligations following the old law, use the old law to compute your net income and credits for each period ending before the date the amendment became law.

For example, if a law passed on May 30, 2011, that disallowed certain deductions allowed under prior law, for tax years ending on or after July 31, 2011, and you are completing this form for calendar year 2011, you should compute the amounts in Columns A and B, Line 37 by treating the deduction as though no law changes were made. The amount in Columns C and D, Line 37 must be computed by adding back the deduction in accordance with the new law.

To figure the amount on Line 46 for a period before a new act became law, use the tax rates and credits under the old law.

For example, if a credit was repealed by law, effective June 30, 2010, for tax years ending on or after December 31, 2010, and the credit was reinstated July 30, 2011, for tax years ending on or after December 31, 2011, you could have used the credit to reduce the tax liability on your 2010 Form IL-2210, in Columns A and B, but not for Columns C and D.

The credit could be used again on the 2011 Form IL-2210, in Columns C and D, Line 46, but not Columns A and B. The credit may not be used for the first five months of the year, because the law restoring the credit was not in effect as of May 31, 2011.

Line 37 – In Columns A through C, write the base income that you would have written on Form IL-1040, Line 9, if you completed a Form IL-1040 for the first three months, the first five months, and the first eight months of the tax year. In Column D, write the amount from your Form IL-1040, Line 9.

Income you received through a partnership, S corporation, trust, or estate is considered received on the last day of that entity’s tax year.

Nonresidents and part-year residents – Write the amount in each column that you would have written on Schedule NR, Step 5, Line 46, if you completed a Schedule NR at the end of each period.

Lines 38 and 39 – Follow the instructions on the form.

Line 40 – Write the amount in each column that you would have written as your exemption allowance on Form IL-1040, Line 10, as if you had completed a Form IL-1040 at the end of each period.

If your number of exemptions changed during the tax year, determine the exemption allowance that you were entitled to claim at the end of each period. Write this amount in the appropriate column.

Nonresidents and part-year residents – Prorate your exemptions as follows:

$$\text{Exemption allowance (Form IL-1040, Line 10)} \times \frac{\text{Illinois annualized income}}{\text{Total annualized income}}$$

Lines 41 through 53 – Follow the instructions on the form.

Example

Penalty Peterson's Illinois tax due is \$1,875 as shown on his 2011 Form IL-1040, Line 15. His tax due for 2010 was \$2,600. The total amount of his credits (Form IL-1040, Lines 16, 17, 18, and 28) for 2011 is \$75. The total amount of his credits (Lines 17, 18, 19, and 27) for 2010 was \$250. No Illinois income tax was withheld from

his pay nor did he have a credit from a prior year. He figured his penalty using the following estimated payments:
 \$100 on April 6, 2011 \$750 on September 7, 2011
 \$200 on June 8, 2011 \$250 on January 19, 2012
 Mr. Peterson filed his return August 6, 2012, and paid \$400.

Step 3: Figure your unpaid tax

Calculations

14 Write the amount from Column A, Line 3.	14	1,800
15 Write the amount of household employment tax from IL-1040, Line 22.	15	0
16 Write the amount of use tax from IL-1040, Line 23.	16	0
17 Add Lines 14 through 16. Write the total amount here.	17	1,800
18 Write the total amount of all payments made on or before the original due date of your tax return. Include any credit carried forward from the prior year, your total estimated payments made this year, Form 505-1 payments, the pass-through entity payments made on your behalf, and your withholding as shown on your W-2 forms. Compare that total to the total of Line 9b, Quarters 1 through 4, and write the greater amount here.	18	1,620
19 Subtract Line 18 from Line 17. If the amount is ● positive , write that amount here. Continue to Step 4, and write this amount in Penalty Worksheet 2, Line 23, Column C. ● zero or negative , write that amount here and, if negative, use brackets.	19	180

Step 4: Figure your late-payment penalty

Use Penalty Worksheet 1 to figure your late-payment penalty for underpayment of estimated tax. Use Penalty Worksheet 2 to figure your late-payment penalty for unpaid tax.

Note You **must** follow the instructions in order to properly complete the penalty worksheets.

20 Write the amount and the date of each payment you made. See instructions.

Amount	Date paid	Amount	Date paid	Amount	Date paid
a 100.00	0 4 / 0 6 / 2 0 1 1	e 400	0 8 / 0 6 / 2 0 1 2	i	___/___/___
b 200.00	0 6 / 0 8 / 2 0 1 1	f	___/___/___	j	___/___/___
c 750.00	0 9 / 0 7 / 2 0 1 1	g	___/___/___	k	___/___/___
d 250.00	0 1 / 1 9 / 2 0 1 2	h	___/___/___	l	___/___/___

Penalty rates

Number of days late	Penalty rate
1 - 30.....	.02
31 or more10

Penalty Worksheet 1 – Late-payment penalty for underpayment of estimated tax

Note If you paid the required amount from Line 13 by the payment due date for each quarter, **do not** complete this worksheet.

21 Write the unpaid amounts from Line 13, Quarters 1 through 4, on the first line of the appropriate quarters in Column C below.

A	B	C	D	E	F	G	H	I		
Period	Due date	Unpaid amount	Payment applied	Balance due (Col. C - Col. D)	Payment date	Number of days late	Penalty rate (See above)	Penalty		
Qtr 1	0 4 / 1 8 / 2 0 1 1	405	100	305	0 4 / 0 6 / 2 0 1 1	0	0	0.00		
		305	200	105	0 6 / 0 8 / 2 0 1 1	51	.10	20.00		
		105	750	[645]	0 9 / 0 7 / 2 0 1 1	142	.10	10.50		
← 200 x .10 = 20.00 ← 105 x .10 = 10.50										
Qtr 2	0 6 / 1 5 / 2 0 1 1	405	645	[240]	0 9 / 0 7 / 2 0 1 1	84	.10	40.50		
		← 405 x .10 = 40.50								
Qtr 3	0 9 / 1 5 / 2 0 1 1	405	240	165	0 9 / 0 7 / 2 0 1 1	0	0	0.00		
		165	250	[85]	0 1 / 1 9 / 2 0 1 2	126	.10	16.50		
		← 165 x .10 = 16.50								
Qtr 4	0 1 / 1 7 / 2 0 1 2	405	85	320	0 1 / 1 9 / 2 0 1 2	2	.02	1.70		
		320	400	[80]	0 8 / 0 6 / 2 0 1 2	202	.10	32.00		
		← 85 x .02 = 1.70 ← 320 x .10 = 32.00								

22 Add Column I, Quarters 1 through 4. This is your **late-payment penalty for underpayment of estimated tax**.

Write the total amount here and on your Form IL-1040, Line 32 (round to whole dollars). **22** 121.20

Note You may apply any remaining overpayment from Quarter 4, Column E above to any underpayment when figuring Penalty Worksheet 2.

Penalty Worksheet 2 – Late-payment penalty for unpaid tax

23 Write any positive amount from Line 19 on the first line of Column C below.

A	B	C	D	E	F	G	H	I
Return	Due date	Unpaid amount	Payment applied	Balance due (Col. C - Col. D)	Payment date	Number of days late	Penalty rate (See above)	Penalty
	0 4 / 1 7 / 2 0 1 2	180	80	100	0 8 / 0 6 / 2 0 1 2	111	.10	8.00
		100	0	100	___/___/___		.10	10.00
← 80 x .10 = 8.00 ← 100 x .10 = 10.00								

24 Add Column I. This is your **late-payment penalty for unpaid tax**.

Write the total amount here and on Line 33. **24** 18.00