Illinois Department of Revenue

IL-2220 Computation of Penalties for Businesses

2012

Attach to your Forms IL-1120, IL-1120-ST, IL-1065, IL-1041, IL-1023-C, or IL-990-T

IL Attachment No. 19

Read this information first - For original returns only. Do not use this form with any amended return filed after the extended due date of the return. We encourage you to let us figure your penalties and send you a bill, instead of completing this form yourself.

We will waive the late payment penalty for underpayment of estimated tax if you timely paid the lesser of 100 percent of the prior year's tax liability or 90 percent of the current year's tax liability. If you elect to complete Form IL-2220, this form reflects that waiver.

Step 1: Provide the following information

1 This form is for 2012 calendar year or fiscal year beginning __ __/__ __ 2012, and ending __ __/__ __/__ __ __ __.
  Month Day   Month Day Year

2 Write your FEIN as it appears on your annual return.   **2** ____ ____ - ____ ____ ____ ____ ____ ____

3 Write your name as it appears on your annual return.   **3** _____

4 If your prior year return was filed under a different FEIN than the one shown on Line 2, write that number here.   **4** ____ ____ - ____ ____ ____ ____ ____ ____

Step 2: Figure your required installments - Form IL-1120 filers only

	A This year	B Last year
5 Write the total **net** income and replacement tax from Form IL-1120. See instructions. If prior year's tax was zero or you filed a short year return, write "N/A" in Column B.	**5** _____•00	_____•00
6 Multiply Column A, Line 5, by 90% (.9).	**6** _____•00	
7 If Column A, Line 5, is $400 or less, write "0" and go to Step 3. Otherwise, write the **lesser** of Column A, Line 6, or Column B, Line 5. See instructions.	**7** _____•00	
8 Divide the amount on Line 7 by four. This is the amount of each required installment. (*If you used the annualized income installment method, see instructions for Line 10.*)	**8** _____•00	

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
9 Write in Quarters 1 through 4, the installment date that corresponds with the 15th day of the 4th, 6th, 9th, and 12th month of your tax year.	**9** __ __/__ __/__ __ __ __	__ __/__ __/__ __ __ __	__ __/__ __/__ __ __ __	__ __/__ __/__ __ __ __
10 Write the required installment. See instructions.	**10** _____•00	_____•00	_____•00	_____•00
11 Write the amount of credit carried forward from the prior year, any pass-through entity payment, and any gambling withholding shown on Form W-2G. See instructions.	**11** _____•00	_____•00	_____•00	_____•00
12 Subtract Line 11 from Line 10. If the amount is negative, use brackets.	**12** _____•00	_____•00	_____•00	_____•00
13 If the amount on Line 14 of the previous quarter is negative, write that amount as a positive here. Otherwise, write "0."	**13** Skip this line for Quarter 1.	_____•00	_____•00	_____•00
14 Subtract Line 13 from Line 12. If the amount is negative, use brackets.	**14** _____•00	_____•00	_____•00	_____•00

Step 3: Figure your unpaid tax - all taxpayers

15 Write your total net income and replacement tax. See instructions.   **15** _____•00

16 **a** Write the total amount of all payments made on or before the original due date of your tax return. Include your credit carryforward from the prior year, total estimated payments made this year, 505-B payments, any pass-through entity payments made on your behalf, annual payments made with your tax return or "V" vouchers, electronic payments, and any gambling withholding shown on Form W-2G.   **16a** _____•00

  b **Form IL-1120 filers only**: Write the total of all Columns, Line 10. All others, write zero.   **16b** _____•00

  Write the **greater** of Line 16a or Line 16b here.   **16** _____•00

17 Subtract Line 16 from Line 15. If this amount is

  —*positive*, write that amount here. Continue to Step 4 and write this amount in Penalty Worksheet 2, Line 21, Column C.

  —*zero or negative,* write that amount here and, if negative, use brackets.   **17** _____•00

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.

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

	Amount	Date paid		Amount	Date paid		Amount	Date paid
a	_____	__/__/____	e	_____	__/__/____	i	_____	__/__/____
b	_____	__/__/____	f	_____	__/__/____	j	_____	__/__/____
c	_____	__/__/____	g	_____	__/__/____	k	_____	__/__/____
d	_____	__/__/____	h	_____	__/__/____	l	_____	__/__/____

Penalty rates

Number of days late	Penalty rate
1 - 30...........................	.02
31 or more......................	.10

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

≡Note➔ If you paid the required amount from Line 14 by the payment due date on Line 9 for each quarter, do not complete this worksheet.

19 Write the unpaid amounts from Line 14, Quarters 1 through 4, on the first line of the appropriate quarters in Column C below.

A Period	B Due date	C Unpaid amount	D Payment applied	E Balance due (Col. C - Col. D)	F Payment date	G No. of days late	H Penalty rate (see above)	I Penalty
Qtr. 1	__/__/____	_____	_____	_____	__/__/____	_____	_____	_____
		_____	_____	_____	__/__/____	_____	_____	_____
		_____	_____	_____	__/__/____	_____	_____	_____
Qtr. 2	__/__/____	_____	_____	_____	__/__/____	_____	_____	_____
		_____	_____	_____	__/__/____	_____	_____	_____
		_____	_____	_____	__/__/____	_____	_____	_____
Qtr. 3	__/__/____	_____	_____	_____	__/__/____	_____	_____	_____
		_____	_____	_____	__/__/____	_____	_____	_____
		_____	_____	_____	__/__/____	_____	_____	_____
Qtr. 4	__/__/____	_____	_____	_____	__/__/____	_____	_____	_____
		_____	_____	_____	__/__/____	_____	_____	_____
		_____	_____	_____	__/__/____	_____	_____	_____

20 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 Form IL-1120, Step 8, Line 53. **20** _____

≡Note➔ You may apply any remaining overpayment from the 4th quarter, in Column E above to any underpayment when figuring Penalty Worksheet 2, only if the payment date in Column F is after the original due date of the return.

Penalty Worksheet 2 — Late-payment penalty for unpaid tax

21 Write any positive amount from Line 17 on the first line of Column C below.

A	B Due date	C Unpaid amount	D Payment applied	E Balance due (Col. C - Col. D)	F Payment date	G No. of days late	H Penalty rate (see above)	I Penalty
Return	__/__/____	_____	_____	_____	__/__/____	_____	_____	_____
		_____	_____	_____	__/__/____	_____	_____	_____
		_____	_____	_____	__/__/____	_____	_____	_____
		_____	_____	_____	__/__/____	_____	_____	_____

22 Add Column I. This is your **late-payment penalty for unpaid tax.**
Write the total amount here and on Step 5, Line 26. **22** _____

Step 5: Figure your late-filing penalty and your total penalties

≡Note→ *Complete Lines 23 through 25 to figure your late-filing penalty only if*
- you are filing your return after the extended due date; and
- your tax was not paid by your original due date.

23 Write the amount of your tax due from your annual return. See instructions. **23** _____ •00
24 Multiply the amount on Line 23 by 2% (.02). **24** _____ •00
25 Write the lesser of Line 24 or $250. This is your **late-filing penalty**. **25** _____ •00
26 Write your **late-payment penalty for unpaid tax** from Line 22. **26** _____ •00
27 If you have an overpayment on your tax return*, write that amount as a <negative number>.
If you have an amount due on your tax return*, write that amount here. **27** _____ •00
≡Note→ *See instructions for the correct line references for all tax returns.*

28 Add Lines 25, 26, and 27. If the result is positive, this is the total amount you owe. If the result is negative,
this is the amount you are overpaid (before any amount applied to next year's estimated payment). **28** _____ •00
≡Note→ This amount may not match your overpayment or tax due on your original tax form. Pay the amount
on Line 28 if you wish to pay your penalties at this time. Otherwise, we will send you a bill.

Step 6: Complete the annualization worksheet for Step 2, Line 10

≡Note→ *Complete this worksheet only if* your income was not received evenly throughout the year and you choose to annualize
your income. **Beginning with Column A, complete Lines 29 through 45 of each column.**

		A	B First 3 months	C First 6 months	D First 9 months
29	Write your Illinois **net** income for each period.	**29** For Column A only: Go directly to Line 32	_____•00	_____•00	_____•00
30	Annualization factors	**30**	4	2	1.33333
31	Multiply Line 29 by Line 30.	**31**	_____•00	_____•00	_____•00
			First 3 months	First 5 months	First 8 months	First 11 months

		A First 3 months	B First 5 months	C First 8 months	D First 11 months
32	Write your Illinois **net** income for each period.	**32** _____•00	_____•00	_____•00	_____•00
33	Annualization factors	**33** 4	2.4	1.5	1.09091
34	Multiply Line 32 by Line 33.	**34** _____•00	_____•00	_____•00	_____•00
35	In Column A, write the amount from Line 34, Column A. In Columns B, C, and D, write the lesser of Line 31 or 34 for each period.	**35** _____•00	_____•00	_____•00	_____•00
36	Net income and replacement tax for the period. See instructions.	**36** _____•00	_____•00	_____•00	_____•00
37	Applicable percentage	**37** 22.5% (.225)	45% (.45)	67.5% (.675)	90% (.9)
38	Multiply Line 36 by Line 37. This is your annualized installment.	**38** _____•00	_____•00	_____•00	_____•00
39	Add the amounts on Line 45 of each of the preceding columns and write the total here.	**39** Do not write on this line.	_____•00	_____•00	_____•00
40	Subtract Line 39 from Line 38. If less than zero, write "0."	**40** _____•00	_____•00	_____•00	_____•00
41	See instructions.	**41** _____•00	_____•00	_____•00	_____•00
42	Write the amount from Line 44 of the preceding column.	**42** Do not write on this line.	_____•00	_____•00	_____•00
43	Add Lines 41 and 42.	**43** _____•00	_____•00	_____•00	_____•00
44	If Line 43 is greater than Line 40, subtract Line 40 from Line 43. Otherwise, write "0."	**44** _____•00	_____•00	_____•00	_____•00
45	Write the lesser of Line 40 or 43 here and on Step 2, Line 10. This is your required installment.	**45** _____•00	_____•00	_____•00	_____•00
		Go to Column B, Line 29	Go to Column C, Line 29	Go to Column D, Line 29	

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This form is authorized as outlined by the Illinois Income Tax Act. Disclosure of this
information is REQUIRED. Failure to provide information could result in a penalty.

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