



General Information

What is the purpose of Schedule K-1-P?

The partnership or the S corporation listed on the front of Schedule K-1-P has completed and provided you with the schedule to reflect your specific share of the partnership's or the S corporation's income, modifications, and credits. Use the completed schedule and these instructions to help you report the items shown on Schedule K-1-P on your Illinois Income Tax return. **Attach a copy of Schedule K-1-P to your tax return and keep a copy for your records.**

What must I attach?

You **must** attach a copy of **any Schedule K-1-P** you receive from partnerships and S corporations to your tax return. You should also keep a copy for your records.

What if the partnership is an investment partnership?

If the partnership that completed the Schedule K-1-P wrote "investment partnership" in Step 1, Line 4, all of the income you receive from the partnership is usually treated as nonbusiness income that is allocable to your state of residence (individuals) or state of commercial domicile (all other persons or entities). However, the income you receive from the partnership will be treated as business income if your investment in the partnership is related to another business activity of yours or serves an operational function to another business activity of yours or where your contribution to the partnership was made out of working capital from your trade or business. If your income is treated as business income, you must apportion it as if you had earned the income directly, rather than through the partnership. The apportionment should be completed on the correct forms, as follows:

Nonresident individuals - use Form IL-1040, Schedule NR.

Nonresident trusts and estates - use Form IL-1041, Schedule NR.

Note → **Illinois residents may not include any income from an investment partnership in Column B of their Schedule CR.**

Corporations (excluding S corporations) - use Form IL-1120 and complete Step 4, Figure your income allocable to Illinois.

S corporations or partnerships - use Form IL-1120-ST or Form IL-1065 and complete Step 6, Figure your income allocable to Illinois.

What if I am engaged in a unitary business with this partnership?

If you are engaged in a unitary business with this partnership but the partnership is not included in your Schedule UB, Combined Apportionment for Unitary Business Group, the partnership should have attached a schedule showing your share of the partnership's apportionment factors and business income. You must determine the portion of your business income taxed by Illinois by adding your share of the partnership's business income and apportionment factors to your own business income and apportionment factors. If the partnership is included in your Schedule UB, report the items on the Schedule K-1-P in the same manner as you would report the items from a nonunitary partner.

What if I am a Grantor Trust or Disregarded Entity?

If you are a grantor trust or other disregarded entity for federal and Illinois income tax purposes, check the applicable box on Line 9b, write the name and identification number of the taxpayer that will report the income or loss from your Schedule K-1-P on their tax return, and provide them with a copy of the Schedule K-1-P and a copy of these instructions.

What if I received Schedule K-1-P from a Grantor Trust or Disregarded Entity?

If the grantor trust or disregarded entity checkbox on Line 9b is checked and your name and identification number are listed, report the items from the Schedule K-1-P as if it were provided to you by the taxpayer in Step 1.

What if I believe the partnership or the S corporation has made an error on my Schedule K-1-P?

If you believe the partnership or the S corporation has made an error on your Schedule K-1-P, notify the partnership or the S corporation and ask for a corrected Schedule K-1-P. Do not change any items on your copy.

What does Column A represent?

Column A represents your specific share of the partnership's or the S corporation's income, modifications, and credits. The partnership or the S corporation is required to complete this column if you were a partner or shareholder at any time during the partnership's or the S corporation's tax year. If you were a resident of Illinois on the last day of the partnership's or S corporation's taxable year, all amounts in Column A must be included as income, modifications, and credits allocated to Illinois. If you were a resident of Illinois on the last day of the partnership's or the S corporation's tax year, **and** you are claiming a credit for taxes paid to another state, see "What does Column B represent?" below.

What does Column B represent?

Column B represents the portion of Column A that is allocated or apportioned to Illinois. If you were not a resident of Illinois on the last day of the partnership's or the S corporation's tax year, be sure the amounts reported in Column B are included in the Illinois amounts reported on your

- Form IL-1040, Schedule NR, Nonresident and Part-Year Resident Computation of Illinois Tax, Column B;
- Form IL-1041, Schedule NR, Nonresident Computation of Fiduciary Income, Column B;
- Form IL-1120, Step 4, Figure your income allocable to Illinois; or
- Form IL-1065 or Form IL-1120-ST, Step 6, Figure your income allocable to Illinois.

If you were a resident of Illinois on the last day of the partnership's or the S corporation's tax year, and you are claiming a credit for taxes paid to another state, subtract the amount of each item in Column B from the amount of that item in Column A, and include the difference in the Non-Illinois Portion column for that item on your

- Form IL-1040, Schedule CR, Credit for Tax Paid to Other States, or
- Form IL-1041, Schedule CR, Credit for Tax Paid to Other States.

Steps 3 and 4 - Column B — Step 3, Column B represents your share of the partnership's or the S corporation's nonbusiness income allocated to Illinois. Step 4 represents your share of the partnership's or the S corporation's business income apportioned to Illinois.

Step-by-Step Instructions for individuals filing Form IL-1040

Column A - Member's share — The amounts reported on Lines 10 through 31 must match your federal Schedule K-1.

Column B - Illinois share — To determine the amount to include on specific lines of your Form IL-1040 and Schedule NR, add specific lines in Step 3, Column B, to specific lines in Step 4, Column B. The following instructions explain what lines to add together and on what line of your form or schedule these totals are to be included.

If the partnership that completed the Schedule K-1-P wrote "investment partnership" in Step 1, Line 4, Column B should be blank. Do not use the Column B instructions for this step. Instead, refer to the instructions under General Information, "What if the partnership is an investment partnership?"

Note Use the following instructions in order to include the income from Schedule K-1-P, Steps 3 and 4, on your Form IL-1040, Schedule NR, Step 3, Column B, Lines 5 through 19, or Form IL-1040, Schedule CR, Step 2, Column B, Lines 1 through 15.

Interest income - Nonbusiness interest is not taxed by Illinois. Step 3, Column B, Line 10, should be "0."

Nonresidents: Include the amount from Step 4, Column B, Line 23, on your Form IL-1040, Schedule NR, Step 3, Column B, Line 6.

Residents claiming credit for taxes paid in other states: Subtract the amount on Step 4, Column B, Line 23, from the amount on Step 4, Column A, Line 23, and include the result on your Form IL-1040, Schedule CR, Step 2, Column B, Line 2.

Dividend income - Nonbusiness dividends are not taxed by Illinois. Step 3, Column B, Line 11, should be "0."

Nonresidents: Include the amount from Step 4, Column B, Line 24, on your Form IL-1040, Schedule NR, Step 3, Column B, Line 7.

Residents claiming credit for taxes paid in other states: Subtract the amount on Step 4, Column B, Line 24, from the amount on Step 4, Column A, Line 24, and include the result on your Form IL-1040, Schedule CR, Step 2, Column B, Line 3.

Rents, royalties, partnerships, S corporations, estates, and trusts - Write the amounts from Columns A and B, Steps 3 and 4, for each line item and add all the amounts for each Column.

	Column A	Column B
Line 12	_____	_____
Line 13	_____	_____
Line 14	_____	_____
Line 15	_____	_____
Line 20	_____	_____
Line 21	_____	_____
Line 22	_____	_____
Line 25	_____	_____
Line 28	_____	_____
Line 29	_____	_____
Total	_____	_____

Nonresidents: Include the total amount from Column B on your Form IL-1040, Schedule NR, Step 3, Column B, Line 15.

Residents claiming taxes paid in other states: Subtract the amount in Column B from the total amount in Column A, and include the result on your Form IL-1040, Schedule CR, Step 2, Column B, Line 11.

Capital gain or loss - Write the amounts from Columns A and B, Steps 3 and 4, for each line item and add all the amounts for each column.

	Column A	Column B
Line 16	_____	_____
Line 17	_____	_____
Line 18	_____	_____
Line 26	_____	_____
Line 27	_____	_____
Total	_____	_____

Nonresidents: Include the total amount from Column B on your Form IL-1040, Schedule NR, Step 3, Column B, Line 11.

Residents claiming taxes paid in other states: Subtract the amount in Column B from the total amount in Column A, and include the result on your Form IL-1040, Schedule CR, Step 2, Column B, Line 7.

Other gains or losses -

Nonresidents: Include the amount from Step 4, Line 30, Column B, on your Form IL-1040, Schedule NR, Step 3, Column B, Line 12.

Residents claiming taxes paid in other states: Subtract the amount on Step 4, Column B, Line 30, from the amount on Step 4, Column A, Line 30, and include the result on your Form IL-1040, Schedule CR, Step 2, Column B, Line 8.

Other income - The partnership or the S corporation is required to identify or send you a breakdown of the items reported on Step 3, Line 19, and Step 4, Line 31. This identification or breakdown will determine on what lines of your federal return you need to report the income in Column A.

Nonresidents: The amounts reported in Column B need to be reported on the corresponding lines of your Form IL-1040, Schedule NR, Column B.

Residents claiming taxes paid in other states: Subtract the amounts in Column B from the corresponding amounts in Column A, and include the results on the appropriate lines of your Form IL-1040, Schedule CR, Step 2, Column B.

Step 5 - Your share of Illinois additions and subtractions

Column A - Member's share of additions —

Lines 32 through 37 - The amounts on these lines are reported in your Illinois base income by including them on your Form IL-1040, Schedule M, Other Additions and Subtractions for Individuals, Step 2, Line 2 (see Form IL-1040 instructions).

Column A - Member's share of subtractions —

Add Step 5, Column A,

Line 38a	_____
Line 38b	_____
Line 41	_____
Line 42	_____
Line 43	_____
Line 44	_____
Line 45	_____
Line 46	_____
Line 47	_____
Total	_____

Write the total on Form IL-1040, Schedule M, Other Additions and Subtractions for Individuals, Step 3, Line 13 (see Form IL-1040, Schedule M Instructions).

Line 39 - Include the amount from Line 39 on your Form IL-1040, Schedule 1299-C, Step 2, Line 2.

Line 40 - Include the amount from Line 40 on your Form IL-1040, Schedule 1299-C, Step 2, Line 5.

Column B - Illinois share —

If the partnership that completed the Schedule K-1-P wrote "investment partnership" in Step 1, Line 4, Column B should be blank. Do not use the Column B instructions for this step. Instead, refer to the instructions under General Information, "What if the partnership is an investment partnership?"

Lines 32 through 37 - Add Lines 32 through 37 for both Column A and Column B.

	Column A	Column B
Line 32	_____	_____
Line 33	_____	_____
Line 34	_____	_____
Line 35	_____	_____
Line 36	_____	_____
Line 37	_____	_____
Total	_____	_____

Nonresidents: Include the total amount from Column B on your Form IL-1040, Schedule NR, Step 4, Column B, Line 40.

Residents claiming credit for taxes paid in other states: Subtract the total amount in Column B from the total amount in Column A, and write the result on your Form IL-1040, Schedule CR, Step 3, Column B, Line 35.

Lines 38a through 47 - Add Lines 38a through 47 for both Column A and Column B.

	Column A	Column B
Line 38a	_____	_____
Line 38b	_____	_____
Line 39	_____	_____
Line 40	_____	_____
Line 41	_____	_____
Line 42	_____	_____
Line 43	_____	_____
Line 44	_____	_____
Line 45	_____	_____
Line 46	_____	_____
Line 47	_____	_____
Total	_____	_____

Nonresidents: Include the total amount from Column B on your Form IL-1040, Schedule NR, Step 4, Column B, Line 44.

Residents claiming credit for taxes paid to other states: Subtract the total amount in Column B from the total amount in Column A, and write the result on your Form IL-1040, Schedule CR, Step 3, Column B, Line 39.

Step 6 - Your share of the Illinois August 1, 1969, appreciation amounts —

Column A - Member's share —

Line 48 - Include the amount from Line 48 on your Form IL-1040, Schedule F, Step 3, Column H, Line 6.

Lines 49 and 50 - If Line 50 is blank, include the amount on Line 49 on your Schedule F, Step 3, Column I, Line 6. Otherwise, skip Line 49 and include the amount on Line 50 on your Form IL-1040, Schedule F, Step 3, Column I, Line 6.

Line 51 - Include the amount from Line 51 on your Form IL-1040, Schedule F, Step 2, Line 2.

Column B - Illinois share —

If the partnership that completed the Schedule K-1-P wrote "investment partnership" in Step 1, Line 4, Column B should be blank. Do not use the Column B instructions for this step. Instead, refer to the instructions under General Information, "What if the partnership is an investment partnership?"

Lines 48 through 51 - Write the amounts from Columns A and B.

If Line 50 is blank, add Lines 48, 49, and 51 for both Columns A and B. Otherwise, add Lines 48, 50, and 51.

	Column A	Column B
Line 48	_____	_____
Line 49	_____	_____
Line 50	_____	_____
Line 51	_____	_____
Total	_____	_____

Nonresidents: Include the total amount from Column B as a subtraction on your Form IL-1040, Schedule NR, Step 4, Column B, Line 44.

Residents claiming taxes paid in other states: Subtract the total amount in Column B from the total amount in Column A, and include the result on your Form IL-1040, Schedule CR, Step 3, Column B, Line 39.

Step 7 - Your share of Illinois credits, recapture, pass-through entity payments, and federal income subject to surcharge —

If the partnership or S corporation has passed through to you any credit, recapture amounts, income tax payments made on your behalf, or federal income subject to surcharge on Lines 52a through 55, see the specific instructions for Step 7 at the end of these instructions for more information.

Note → **Form IL-1040 filers only** - Line 55 is only for use with tax years ending on or after December 31, 2014.

Step-by-Step Instructions for trusts or estates filing Form IL-1041

Steps 3 and 4 - Your share of nonbusiness and business income —

Column A - Member's share — The amounts reported on Lines 10 through 31 must match your federal Schedule K-1.

Column B - Illinois share — To determine the amount to include on specific lines of your Form IL-1041 and Schedule NR, add specific lines in Step 3, Column B, to specific lines in Step 4, Column B. The following instructions explain what lines to add together and on what line of your form or schedule these totals are to be included.

If the partnership that completed the Schedule K-1-P wrote "investment partnership" in Step 1, Line 4, Column B should be blank. Do not use the Column B instructions for this step. Instead, refer to the instructions under General Information, "What if the partnership is an investment partnership?"

Interest income - Nonbusiness interest is not taxed by Illinois. Step 3, Column B, Line 10, should be "0."

Nonresidents: Include your fiduciary's share of business interest from Step 4, Column B, Line 23, on your Form IL-1041, Schedule NR, Step 3, Column C, Line 1.

Residents claiming credit for taxes paid in other states: Subtract the amount on Step 4, Column B, Line 23, from the amount on Step 4, Column A, Line 23, and include the result on your Form IL-1041, Schedule CR, Step 2, Column C, Line 1.

Dividend income - Nonbusiness dividends are not taxed by Illinois. Step 3, Column B, Line 11, should be "0."

Nonresidents: Include your fiduciary's share of business dividends from Step 4, Column B, Line 24, on your Form IL-1041, Schedule NR, Step 3, Column C, Line 2.

Residents claiming credit for taxes paid in other states: Subtract the amount on Step 4, Column B, Line 24, from the amount on Step 4, Column A, Line 24, and include the result on your Form IL-1041, Schedule CR, Step 2, Column C, Line 2.

Income or loss from partnerships & S corps –

Write the amounts from Steps 3 and 4, Columns A and B, for each line item and add all amounts for each column.

	Column A	Column B
Line 12	_____	_____
Line 13	_____	_____
Line 14	_____	_____
Line 15	_____	_____
Line 16	_____	_____
Line 17	_____	_____
Line 18	_____	_____
Line 19	_____	_____
Line 20	_____	_____
Line 21	_____	_____
Line 22	_____	_____
Line 25	_____	_____
Line 26	_____	_____
Line 27	_____	_____
Line 28	_____	_____
Line 29	_____	_____
Line 30	_____	_____
Line 31	_____	_____
Total	_____	_____

Nonresidents: Include your fiduciary's share of this total amount from Column B on your Form IL-1041, Schedule NR, Step 3, Column C, Line 6.

Residents claiming credit for taxes paid in other states: Subtract the total amount in Column B, from the total amount in Column A, and include the result on your Form IL-1041, Schedule CR, Column C, Line 6.

Step 5 - Your share of Illinois additions and subtractions

Column A - Member's share of additions —

Lines 32 through 37 - The amounts on these lines are reported in your Illinois base income by including them on your Form IL-1041, Step 2, Line 9

Column A - Member's share of subtractions —

Add Step 5, Column A,	_____
Line 38a	_____
Line 38b	_____
Line 41	_____
Line 42	_____
Line 43	_____
Line 44	_____
Line 45	_____
Line 46	_____
Line 47	_____
Total	_____

Write the total on Form IL-1041, Step 3, Line 22.

Line 39 - Include the amount from Line 39 on your Schedule 1299-B, Step 1, Line 2.

Line 40 - Include the amount from Line 40 on your Schedule 1299-B, Step 1, Line 5.

Column B - Illinois share —

If the partnership that completed the Schedule K-1-P wrote "investment partnership" in Step 1, Line 4, Column B should be blank. Do not use the Column B instructions for this step. Instead, refer to the instructions under General Information, "What if the partnership is an investment partnership?"

Lines 32 through 37 - Add Lines 32 through 37 for both Column A and Column B.

	Column A	Column B
Line 32	_____	_____
Line 33	_____	_____
Line 34	_____	_____
Line 35	_____	_____
Line 36	_____	_____
Line 37	_____	_____
Total	_____	_____

Nonresidents: Include the total amount from Column B on your Form IL-1041, Schedule NR, Step 4, Column B, Line 35.

Residents claiming credit for taxes paid in other states: Subtract the total amount in Column B from the total amount in Column A, and write the result on your Form IL-1041, Schedule CR, Step 3, Column B, Line 32.

Lines 38a, 38b, and 41 through 47 - Add Lines 38a, 38b, and 41 through 47 for both Column A and Column B.

	Column A	Column B
Line 38a	_____	_____
Line 38b	_____	_____
Line 41	_____	_____
Line 42	_____	_____
Line 43	_____	_____
Line 44	_____	_____
Line 45	_____	_____
Line 46	_____	_____
Line 47	_____	_____
Total	_____	_____

Nonresidents: Include the total amount from Column B on your Form IL-1041, Schedule NR, Step 4, Column B, Line 47.

Residents claiming credit for taxes paid in other states: Subtract the total amount in Column B from the total amount in Column A, and write the result on your Form IL-1041, Schedule CR, Step 3, Column B, Line 45.

Line 39 -

Nonresidents: Include the amount from Column B on your Form IL-1041, Schedule NR, Step 4, Column B, Line 42.

Residents claiming credit for taxes paid in other states: Subtract the amount in Column B from the amount in Column A, and write the result on your Form IL-1041, Schedule CR, Step 3, Column B, Line 40.

Line 40 -

Nonresidents: Include the amount from Column B on your Form IL-1041, Schedule NR, Step 4, Column B, Line 43.

Residents claiming credit for taxes paid in other states: Subtract the amount in Column B from the amount in Column A, and write the result on your Form IL-1041, Schedule CR, Step 3, Column B, Line 41.

Step 6 - Your share of the Illinois August 1, 1969, appreciation amounts —

Column A - Member's share —

Line 48 - Include the amount from Line 48 on your Form IL-1041, Schedule F, Column K, Line 2.

Line 49 - Include the amount from Line 49 on your Form IL-1041, Schedule F, Column L, Line 2.

Line 51 - Include the amount from Line 51 on your Form IL-1041, Schedule F, Column M, Line 2.

Column B - Illinois share —

If the partnership that completed the Schedule K-1-P wrote "investment partnership" in Step 1, Line 4, Column B should be blank. Do not use the Column B instructions for this step. Instead, refer to the instructions under General Information, "What if the partnership is an investment partnership?"

Lines 48, 49, and 51 - Write the amounts from Columns A and B.

	Column A	Column B
Line 48	_____	_____
Line 49	_____	_____
Line 51	_____	_____
Total	_____	_____

Nonresidents: Add Lines 48, 49 and 51, Column B. Include the total amount as a subtraction on your Form IL-1041, Schedule NR, Step 4, Column B, Line 38.

Residents claiming taxes paid in other states: Subtract the total amount in Column B from the total amount in Column A, and include the result on your Form IL-1041, Schedule CR, Step 3, Column B, Line 36.

Step 7 - Your share of Illinois credits, recapture, pass-through entity payments, and federal income subject to surcharge —

If the partnership or S corporation has passed through to you any credit, recapture amounts, income tax payments made on your behalf, or federal income subject to surcharge on Lines 52a through 55, see the specific instructions for Step 7 at the end of these instructions for more information.

Step-by-Step Instructions for partnerships filing Form IL-1065 and S corporations filing Form IL-1120-ST

Steps 3 and 4 - Your share of nonbusiness and business income —

Column A - Member's share — The amounts reported on Lines 10 through 31 must match your federal Schedule K-1.

Column B - Illinois share — To determine the amount to include on specific lines of your Form IL-1065 or Form IL-1120-ST, add specific lines in Step 3, Column B, to specific lines in Step 4, Column B. The following instructions explain what lines to add together and on what line of your form or schedule these totals are to be included.

If the partnership that completed the Schedule K-1-P wrote "investment partnership" in Step 1, Line 4, Column B should be blank. Do not use the Column B instructions for this step. Instead, refer to the instructions under General Information, "What if the partnership is an investment partnership?"

Lines 10 through 31 - Include the amounts in Step 3, Column B in the total amount you report on Step 6, Line 44, of your Form IL-1065 or Form IL-1120-ST. Include the amounts in Step 4, Column B in the total amount you report on Step 6, Line 45, of your Forms IL-1065 or Form IL-1120-ST.

Step 5 - Your share of Illinois additions and subtractions

Column A - Member's share of additions —

Lines 32 through 37 - The amounts on these lines are reported in your Illinois base income by including them on Step 4, Line 19, of your Form IL-1065 or IL-1120-ST.

Column A - Member's share of subtractions —

Lines 38a, 38b, and 44 through 47 - The amounts on these lines are reported in your Illinois base income by including the total of these lines on Step 5, Line 32, of your Form IL-1065 or Form IL-1120-ST.

Line 39 - Include the amount from Line 39 on your Schedule 1299-A, Step 1, Line 2.

Line 40 - Include the amount from Line 40 on your Schedule 1299-A, Step 1, Line 5.

Line 41 - Include the amount from Line 41 on your Schedule 1299-A, Step 1, Line 8.*

Line 42 - Include the amount from Line 42 on your Schedule 1299-A, Step 1, Line 11.*

Line 43 - Include the amount from Line 43 on your Schedule 1299-A, Step 1, Line 14.*

*Partnerships filing Form IL-1065 are not eligible for these subtractions.

Column B - Illinois share —

If the partnership that completed the Schedule K-1-P wrote "investment partnership" in Step 1, Line 4, Column B should be blank. Do not use the Column B instructions for this step. Instead, refer to the instructions under General Information, "What if the partnership is an investment partnership?"

Lines 32 through 47 (excluding Line 38a) - Add any nonbusiness amounts from Column B, Lines 32 through 47 (excluding Line 38a). Include the total amount on Step 6, Line 44, of your Form IL-1065 or Form IL-1120-ST.

Add any business amounts from Column B, Lines 32 through 47 (excluding Line 38b). Include the amount on Step 6, Line 45, of your Form IL-1065 or Form IL-1120-ST.

Step 6 - Your share of the Illinois August 1, 1969, appreciation amounts —

Column A - Member's share —

Line 48 - Include the amount from Line 48 on your Schedule F, Line 2, Column K.

Line 49 - Include the amount from Line 49 on your Schedule F, Line 2, Column L.

Line 51 - Include the amount from Line 51 on your Schedule F, Line 2, Column M.

Column B - Illinois share —

Use the information in Column B when completing Step 6 of the Schedule K-1-P for your partners or shareholders.

If the partnership that completed the Schedule K-1-P wrote "investment partnership" in Step 1, Line 4, Column B should be blank. Do not use the Column B instructions for this step. Instead, refer to the instructions under General Information, "What if the partnership is an investment partnership?"

Step 7 - Your share of Illinois credits, recapture, pass-through entity payments, and federal income subject to surcharge —

If the partnership or S corporation has passed through to you any credit, recapture amounts, income tax payments made on your behalf, or federal income subject to surcharge on Lines 52a through 55, see the specific instructions for Step 7 at the end of these instructions for more information.

Step-by-Step Instructions for corporations filing Form IL-1120

Steps 3 and 4 - Your share of nonbusiness and business income —

Column A - Member's share — See General Information.

Column B - Illinois share — Step 3 represents your share of the partnership's or the S corporation's nonbusiness income allocated to Illinois. Step 4 represents your share of the partnership's or the S corporation's business income apportioned to Illinois. To determine the amount to include on specific lines of your IL-1120, add specific lines in Step 3, Column B, to specific lines in Step 4, Column B. The following instructions explain what lines to add together and on what line of your form or schedule these totals are to be included.

If the partnership that completed the Schedule K-1-P wrote "investment partnership" in Step 1, Line 4, Column B should be blank. Do not use the Column B instructions for this step. Instead, refer to the instructions under General Information, "What if the partnership is an investment partnership?"

Lines 10 through 31 - Include the amounts in Step 3, Column B in the total amount you report on your Schedule NB. Include the amounts in Step 4, Column B in the total amount you report on your Form IL-1120, Step 4, Line 33.

Step 5 - Your share of Illinois additions and subtractions —

Column A - Member's share of additions —

Lines 32 through 37 - The amounts on these lines are reported in your Illinois base income by including them on your Form IL-1120, Step 2, Line 7.

Column A - Member's share of subtractions —

Lines 38a, 38b, and 44 through 47 - The amounts on these lines are reported in your Illinois base income by including the total of these lines on your Form IL-1120, Step 3, Line 20.

Line 39 - Include the amount from Line 39 on your Schedule 1299-B, Step 2, Line 10.

Line 40 - Include the amount from Line 40 on your Schedule 1299-B, Step 2, Line 13.

Line 41 - Include the amount from Line 41 on your Schedule 1299-B, Step 1, Line 16.

Line 42 - Include the amount from Line 42 on your Schedule 1299-B, Step 2, Line 19.

Line 43 - Include the amount from Line 43 on your Schedule 1299-B, Step 2, Line 22.

Column B - Illinois share —

If the partnership that completed the Schedule K-1-P wrote "investment partnership" in Step 1, Line 4, Column B should be blank. Do not use the Column B instructions for this step. Instead, refer to the instructions under General Information, "What if the partnership is an investment partnership?"

Lines 32 through 47 (excluding Line 38a) - Add any nonbusiness amounts from Column B, Lines 32 through 47 (excluding Line 38a). Include this total amount in the total amount you report on your Schedule NB.

Add any business amounts from Column B, Lines 32 through 47 (excluding Line 38b). Include this amount on your Form IL-1120, Step 4, Line 33.

Step 7 - Your share of Illinois credits, recapture, pass-through entity payments, and federal income subject to surcharge —

If the partnership or S corporation has passed through to you any credit, recapture amounts, income tax payments made on your behalf, or federal income subject to surcharge on Lines 52a through 55, see the specific instructions for Step 7 at the end of these instructions for more information.

Specific Instructions
**for Step 7 - Your share of the Illinois credits, recapture,
pass-through entity payments, and federal income subject to
surcharge**

Line 52 - Illinois Credits — The following credits are available for partnerships and S corporations to pass through to you.

- Line 52a** - Film Production Services Tax Credit
- Line 52b** - Enterprise Zone Investment Credit
- Line 52c** - River Edge Redevelopment Zone Investment Credit
- Line 52d** - Tax Credit for Affordable Housing Donations
- Line 52e** - Economic Development for a Growing Economy (EDGE) Tax Credit
- Line 52f** - Research and Development Credit
- Line 52g** - Ex-Felons Jobs Credit
- Line 52h** - Veterans Jobs Credit
- Line 52i** - Student-Assistance Contribution Credit
- Line 52j** - Angel Investment Credit
- Line 52k** - New Markets Credit
- Line 52l** - River Edge Historic Preservation Credit
- Line 52m** - Live Theater Production Credit
- Line 52n** - Hospital Credit
- Line 52o** - Historic Preservation Credit
- Line 52p** - Replacement Tax Investment Credit

Use the chart below to include any credit amounts passed to you.

Note → For tax years ending on or after December 31, 2000, partnerships and S corporations automatically pass these credits through to their partners or shareholders that are subject to replacement tax.

Lines 53a and 53b — Recapture — Your share of recapture is based on your share of the original investment credit. If you shared in the original credit and you are no longer a partner or shareholder of the partnership or the S corporation in the year of recapture, Lines 53a and 53b will be the only lines completed on this schedule. You must complete Schedule 4255, Recapture of Investment Tax Credits, and include this total amount on Step 4, Line 15.

If your share in the year of the original investment credit is different from your share in the year of the recapture, Lines 53a and 53b will be completed and the partnership or the S corporation will attach a sheet explaining the difference. You must complete Schedule 4255 and include this total amount on Step 4, Line 15.

Lines 54a and 54b — If the partnership or S corporation made income tax payments on your behalf, add Lines 54a and 54b and write the total amount on your

- Form IL-1040, Step 9, Line 27,
- Form IL-1041, Step 7, Line 51d,
- Form IL-1065, Step 9, Line 59c,
- Form IL-1120-ST, Step 9, Line 59c,
- Form IL-1120, Step 8, Line 56d,
- Form IL-1023-C, Step 4, Line 16d, or
- Form IL-1000, Step 2, Line 7.

Note → Pass-through entity payments made on your behalf on Form IL-1000 and reported to you on Schedule K-1-P, Line 54a, are based on items of business income only. If amounts are reported on Schedule K-1-P, Step 3, Column B, Lines 12-19, or you had Illinois Income from other sources, and the payments made on your behalf do not cover your liability, you must file a return to report the tax on all of your Illinois income and claim a credit for pass-through entity payments made on your behalf.

Include the amount from Schedule K-1-P, Step 7,		Individuals: Report on Schedule 1299-C, Step 3,		Trusts/Estates/Corporations: Report on Schedule 1299-D, Step 1,		Partnerships/ S corporations: Report on Schedule 1299-A, Step 2,	
Line		Line		Line		Line	
52a		5		5		16b	
52b		10		11		18	
52c		13		16		21	
52d		19		21		24	
52e		16		24		27	
52f		28		34		36	
52g		34		42		39	
52h		37		45		42	
52i		40		48		45	
52j		46		53		48	
52k		43		56		51	
52l		49		59		54	
52m		52		62		57	
52n		59		69		64	
52o		63		73		67	
52p		n/a		Form IL-477, Line 4		Form IL-477, Line 4	

Line 55 — Fiscal filers only. For taxpayers with tax years ending on or after January 1, 2014. This is your share of federal income attributable to transactions subject to the Compassionate Use of Medical Cannabis Pilot Program Act surcharge. Use this information when calculating the surcharge on your return.

See the instructions below and the instructions for the return you are filing for more information.

Note → **Form IL-1040 filers only** - Line 55 is only for use with tax years ending on or after December 31, 2014.

Definitions related to the Compassionate Use of Medical Cannabis Pilot Program Act Surcharge —

Organization registrant means a corporation, partnership, trust, limited liability company (LLC), or other organization that holds either a medical cannabis cultivation center registration issued by the Illinois Department of Agriculture or a medical cannabis dispensary registration issued by the Illinois Department of Financial and Professional Regulation.

Transactions subject to the surcharge means sales and exchanges of

- capital assets;
- depreciable business property;
- real property used in the trade or business; and
- Section 197 intangibles

of an organization registrant.

What is the surcharge?

For each taxable year beginning or ending during the Compassionate Use of Medical Cannabis Pilot Program, a surcharge is imposed on all taxpayers on income arising from the transactions subject to the surcharge of an organization registrant under the Compassionate Use of Medical Cannabis Pilot Program Act.

The amount of the surcharge is equal to the amount of federal income tax liability for the taxable year attributable to the transactions subject to the surcharge.

To whom does the surcharge apply?

The surcharge is imposed on any taxpayer who incurs a federal income tax liability on the income realized on a “transaction subject to the surcharge,” including individuals and other taxpayers who are not themselves the “organization registrant” that engaged in the transaction.

A partner or shareholder who incurs a federal income tax liability on income from a transaction subject to surcharge passed through from a partnership or S corporation will incur a surcharge.

Note → Although a unitary business group filing combined Illinois returns is treated as a single taxpayer and its members are jointly and severally liable for any surcharge imposed on the group, the group itself is not an organization registrant and transactions of any member that is not itself an organization registrant are not subject to the surcharge.

How do I use the amount reported on Line 55?

The amount reported on Line 55 identifies your share of any federal income attributable to transactions subject to the surcharge. The partnership and S corporation listed in Step 1 should have also provided you with a breakdown itemizing any amount reported on Line 55.

Use this information when completing the “Compassionate Use of Medical Cannabis Pilot Program Act Surcharge Worksheet” in the instructions for the return you are filing. Line 55 identifies federal income attributable to transactions subject to the surcharge that should not be included when you complete Line 2 of the worksheet.

Note → The amount on Line 55 identifies **federal income** attributable to transactions subject to the surcharge, **not** federal income tax liability for the taxable year attributable to the transactions subject to the surcharge. Exclude this income before figuring the federal income tax amount on Line 2 of the worksheet.

For more information, see Illinois Income Tax Regulations, Section 100.2060.