

Computation of Penalties for Businesses

Read this information first - We encourage you to let us figure your penalties and send you a bill, instead of completing this form yourself. You must complete this form if you are using the annualized income installment method for late-payment penalty for underpayment of estimated tax in Step 6.

You do not owe the late-payment penalty for underpayment of estimated tax if you made timely estimated payments equaling at least 90 percent of this year's tax liability or 100 percent of the prior year's tax liability (provided you reported a liability in the prior year and it was not a short taxable year). The late-payment penalty for underpayment of estimated tax is based on the tax shown due on your original return. Do not use the tax shown on an amended return filed after the extended due date of the return to compute your required installments in Step 2.

St	ep 1: Provide the following information						
1	This form is for 2014 calendar year or fiscal year beginning/ 2014, and ending Month Day		/_ nth Day	_/ 	<u></u> :		
2	Enter your FEIN as it appears on your annual return. 2						
3	Enter 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, enter that number here. 4 _						
St	ep 2: Figure your required installments - Form IL-1120 filers	s on		A year		B Last year	
5	Enter the total net income and replacement tax and surcharge from Form IL-1120. See instructions. If prior year's tax was zero or you filed a short year return, enter "N/A" in Column You may be required to make installments even if you enter "N/A" in Column B. See instructions.			•00	_		• <u>00</u>
6	Multiply Column A, Line 5, by 90% (.9).	6 _		<u>•00</u>			
7	If Column A, Line 5, is \$400 or less, enter "0" and go to Step 3. Otherwise, enter the lesse of Column A, Line 6, or Column B, Line 5. (If Column A, Line 5 is more than \$400 and you entered "N/A" in Column B, Line 5, enter the amount from Column A, Line 6.) See instr.	и		•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.)						
9	Enter 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. Quarter 1 Quarter 2 Quarter 2		uarter	_		Quarter 4	
10	Enter the required installment. See instructions. 10			•00			• <u>00</u>
11	Enter the amount of any pass-through withholding payment and any gambling withholding shown on Form W-2G. See instructions. 11			•00	_		•00
12	Subtract Line 11 from Line 10. If the amount is negative, use brackets. 12			•00			•00
13	If the amount on Line 14 of the previous quarter is negative,						<u> </u>
	enter that amount as a positive here. Otherwise, enter "0." 13 Skip this line for Quarter 1. •00			<u>•00</u>	_		<u>•00</u>
14	Subtract Line 13 from Line 12. If the amount is negative, use brackets. 14			•00	_		• <u>00</u>
	ep 3: Figure your unpaid tax - all taxpayers Enter your total net income and replacement tax, surcharge, and pass-through withholdin on behalf of your members. See instructions.	ıg pa	yments	you reporte			<u>•00</u>
16	a Enter the total amount of all payments made on or before the original due date of your tax return. Include your credit(s) carried forward from a prior year (see instructions), total payments or prepayments made this year, 505-B payments, any pass-through withholdin payments made on your behalf, annual payments made with your tax return or "V" youch electronic payments, and any withholding shown on your W-2G or 1099 forms.	ng ners,			• <u>00</u>		
	b Form IL-1120 filers only : Enter the total of all Columns, Line 10. All others, enter zero Enter the greater of Line 16a or Line 16b here.	o. 16	6b		<u>00</u> 16 _		<u>•00</u>
17	Subtract Line 16 from Line 15. If this amount is						
	—positive, enter that amount here. Continue to Step 4 and enter this amount in Penalty Worksheet 2, Column C, Line 21.						

Step 4: Figure your late-payment penalty





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

18 Ente	er the amount and the date of	each payment you ma	de. Include any credit(s	a) carried forward from a pri-	or year. See instructions.
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Amount	Date paid	Amount	Date paid	Amount	Date paid	
a b c d		e f g h	// //	i j k I		
Penalty rates		of days late Penalty - 30	rate			_

	31 or more
Penalty Worksheet 1	— Late-payment penalty for underpayment of estimated tax - Form IL-1120 filers or

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 Enter 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	//							

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

Enter the total amount here and on Form IL-1120, Step 8, Line 54.

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

Α	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.

Enter the total amount here and on Step 5, Line 26.

22

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

<u>≡Note</u> 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 Enter the amount of your tax due from your return. See instructions.
- **24** Multiply the amount on Line 23 by 2% (.02).
- 25 Enter the lesser of Line 24 or \$250. This is your late-filing penalty.
- **26** Enter your late-payment penalty for unpaid tax from Line 22.
- 27 If you have an overpayment on your tax return*, enter that amount as a <negative number>. If you have an amount due on your tax return*, enter that amount here.
 - *■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.

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.

23	•00
24	•00
25	•00
26	<u>•00</u>
27	•00

28 _____

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

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			D	D		
				First 3 months	First 6 months	First 9 months
29	Enter your Illinois net income for		For Column A			
	each period. If negative, enter "0".		only: Go directly to	<u> </u>		
30	Annualization factors	30	Uhe 32	4	2	1.33333
31	Multiply Line 29 by Line 30.	31		<u>00</u>	<u></u>	<u></u>
			First 3 months	First 5 months	First 8 months	First 11 months
32	Enter your Illinois net income for					
	each period. If negative, enter "0".			<u> </u>	<u>•00</u>	
33	Annualization factors	33	4	2.4	1.5	1.09091
34	Multiply Line 32 by Line 33.		<u>•00</u>	<u> </u>		
35	In Column A, enter the amount					
	from Line 34, Column A.					
	In Columns B, C, and D, enter					
	the lesser of Line 31 or 34					
	for each period.	35	<u>•00</u>	•00	•00	•00
36	Net replacement tax for the period					
	See instructions.		•00	•00	•00	•00
36	Net income tax for the period.					
	See instructions.	36b	•00	•00	•00	•00
36	Cannabis surcharge for the period		•00			
	See instructions.	36c	•00	•00	•00	•00
36	Add Lines 36a, 36b, and 36c.	360		•00	•00	•00
	Applicable percentage	37		45% (.45)	67.5% (.675)	90% (.9)
	Multiply Line 36d by Line 37. This	-	<u> </u>	10 /0 (110)	<u> </u>	
00	is your annualized installment.		•00	•00	•00	•00
30	Add the amounts on Line 45 of	30				
33	each of the preceding columns					
	and enter the total here.	20	Do not write on this line.	•00	•00	•00
40	Subtract Line 39 from Line 38.	39	Do not write on this line.	<u></u> • <u>UU</u>		•00
40	If less than zero, enter "0."	40	•00	00	00	00
44	•			00	<u></u>	
	See instructions.	41	<u> </u>	<u>•00</u>	<u> </u>	
42	Enter the amount from Line 44	40		00	00	
40	of the preceding column.		Do not write on this line.	<u></u>	<u>•00</u>	
_	Add Lines 41 and 42.	43			<u>000</u>	
44	If Line 43 is greater than Line 40,					
	subtract Line 40 from Line 43.					
	Otherwise, enter "0."	44	<u> </u>	<u> </u>	<u> </u>	Do not write on this line.
45	Enter the lesser of Line 40 or 43					
	here and on Step 2, Line 10.					
	This is your required installment.			<u>00</u>	<u>•00</u>	
			Go to Column B, Line 29	Go to Column C, Line 29	Go to Column D, Line 29	