



## What's new for 2016?

- **Filers with tax years ending on or after July 1, 2017** - Public Act 100-0022 increased the income tax rate during your tax year. You must use Schedule SA (IL-1041) or the blended income tax rate to calculate your tax if your tax year ends on or after July 1, 2017. See Specific Instructions, Schedule SA Instructions (IL-1041), Schedule K-1-T(1), and Informational Bulletin FY 2018-02 for more information.  
You must also use Schedule K-1-T(3)-FY to calculate the amount of pass-through withholding you must withhold for your nonresident members.
- Public Act 100-0022 has also retroactively restored the Research and Development Credit for tax years ending after December 31, 2015. Originally, the credit had sunset for these tax years and had therefore been removed from the original release of the 2016 Illinois Income Tax forms.  
A supplemental Schedule 1299-D (R&D) has been designed to allow you to claim the Research and Development Credit for the 2016 tax year, if applicable. To claim the credit this year, you must use Schedule 1299-D (R&D) and include the Research and Development Credit calculated on that schedule in the amount you report on Schedule 1299-D, Step 1, Section B, Line 61. See the Schedule 1299-D (R&D) instructions for more information.  
In addition, if you did not claim the Research and Development Credit on your 2015 return because your tax year ended after December 31, 2015, you may amend that return and the 2015 Schedule 1299-D to claim the credit, if applicable.
- The Illinois filing and payment due date for Form IL-1041 filers remains the 15th day of the 4th month following the close of the tax year. In addition, you will continue to receive an automatic filing extension of six months. See Illinois Income Tax Regulations, Section 100.5020 for more information.
- Form IL-1041-X, Step 1, has been rearranged. Please review the form carefully when completing this step.
- If you are a complex trust without distributions, check the appropriate box on Form IL-1041-X, Step 1, Line D.
- For tax years ending on or after December 31, 2016, IRC Section 807 amounts have been included on Line 15e of the Schedule M (for businesses). In addition, two subtractions have been added to Line 19 of the Schedule M (for businesses). See the Schedule M Instructions for more information.
- Form IL-1041 and Schedule CR have been redesigned to allow for a replacement tax credit for income tax paid to another state. See Form IL-1041 and Schedule CR specific instructions for more information.
- **Short-year and fiscal-year filers** - The River Edge Redevelopment Zone Investment Credit has expired for tax years **beginning** on or after July 12, 2016. If your tax year **begins** on or after July 12, 2016, you cannot claim this credit on Schedule 1299-D, Lines 15a through 15c. You may still claim any distributive share of this credit passed through to you on Schedule K-1-P by reporting it on Schedule 1299-D, Line 16. The Enterprise Zone Investment Credit is still allowed.
- **Short-year and fiscal-year filers** - The River Edge Redevelopment Zone Remediation Credit has expired for tax years **beginning** on or after July 12, 2016. If your tax year **begins** on or after July 12, 2016, you cannot claim this credit on Schedule 1299-D, Lines 26a through 28.
- **Fiscal-year filers** - The Veterans Jobs Credit has expired for tax years **ending** after December 31, 2016. If your tax year **ends** after December 31, 2016, you cannot claim this credit on Schedule 1299-D, Lines 34a through 34c. You may still claim any distributive share of this credit passed through to you on Schedule K-1-P by reporting it on Schedule 1299-D, Line 35.
- **Fiscal-year filers** - Public Act 100-0328 has retroactively restored the Angel Investment Credit for tax years ending after December 31, 2016. If you did not claim the Angel Investment Credit on your 2016 return because your tax year ended after December 31, 2016, you may amend that return and the 2016 Schedule 1299-D to claim the credit, if applicable.
- The River Edge Historic Preservation Credit was incorrectly identified in last year's Schedule 1299-D and instructions as expiring for tax years **beginning** on or after July 28, 2016. If you were a short-year filer using the 2015 return and did not claim the River Edge Historic Preservation Credit because your tax year **began** on or after July 28, 2016, you may amend that return to claim the credit. In addition, the sunset date of the River Edge Historic Preservation Credit was extended by P.A. 99-0914 and may be claimed on the 2016 Schedule 1299-D, if applicable.
- Public Act 100-0408 has extended the period of qualifying investments for the New Markets Development Credit to the end of the 2021 taxable year for fiscal-year filers.
- **Short-year filers** - Public Act 100-0415 provides the Live Theater Production Tax Credit may be claimed for tax years beginning on or after January 1, 2012, and beginning prior to January 1, 2022.
- **Short-year filers** - The Hospital Credit has expired for tax years **beginning** on or after June 14, 2017. If your tax year **begins** on or after June 14, 2017, you cannot claim this credit on Schedule 1299-D, Lines 54 through 58. You may still claim any distributive share of this credit passed through to you on Schedule K-1-P by reporting it on Schedule 1299-D, Line 59. However, on Schedule 1299-D, Line 59 you may not claim any amount sold or donated to you.
- The Historic Preservation Credit has expired for tax years **ending** after December 31, 2015. You may not claim this credit on your 2016 Schedule 1299-D.
- Schedule 1299-S has been eliminated. See the Department of Commerce and Economic Opportunity (DCEO) website for a list of enterprise zones, river edge redevelopment zones, and the DCEO contact information.
- As a result of P.A. 99-0641, for taxable years beginning on or after January 1, 2017, any tax preparer who is paid to prepare an Illinois Business Income Tax return must sign and date the return, enter the preparer tax identification number (PTIN) issued to them by the Internal Revenue Service, and provide their firm's name, address, and phone number. Form IL-1041-X has been revised to enable paid preparers to provide this information.
- The total amounts for nonresident individual and nonresident estate members have been split into separate lines on Section A of the 2016 Schedule D.
- August 1, 1969, appreciation amounts have been included in the Schedule K-1-T(3) or K-1-T(3)-FY calculation of pass-through withholding payments you owe on behalf of your nonresident members. See Schedule K-1-T(1) for more information.
- Recapture of investment credit and Illinois Income Tax withheld have been included in the calculation of your own voluntary prepayment amount calculated in Step 6 of the IL-516-I and IL-516-B workbook.

# General Information

## Who must file Form IL-1041-X?

You should file Form IL-1041-X if you are amending a previously filed, processable Form IL-1041, Illinois Fiduciary Income and Replacement Tax Return, for a tax year ending **on or after December 31, 2007**. Your change can occur from a state or federal change that affects items used to compute your Illinois net income, net loss, or credit, such as

- an amendment of your federal income tax return,
- an adjustment made by the Internal Revenue Service (IRS), or
- any other recomputation or redetermination.

A separate amended return must be filed for each tax year you need to amend.

**Note** Use Form IL-843, Amended Return or Notice of Change in Income, and the corresponding year's Form IL-1041, to amend tax years ending **prior to December 31, 2007**.

## What if I need to change my return before the extended due date expires?

If you filed your original Form IL-1041 and a state or federal correction or change needs to be made before the extended due date expires (see the instructions of your original return), you should file Form IL-1041-X. Due to the automatic extension, any return filed after the original return and on or before the extended due date will be treated as the original return.

If you are filing Form IL-1041-X before the extended due date to change the election on your original return to treat all income other than compensation as business income, check the box on Schedule NR, Nonresident Computation of Fiduciary Income, Step 3, and provide a written explanation indicating the change to your election in Step 2 of Form IL-1041-X.

## How long do I have to amend my return?

The amount of time you have to amend your return depends on whether your Form IL-1041-X is being filed to report a state or federal change.

**State change** - If your change creates or increases the Illinois net loss for the year, you must file Form IL-1041-X showing the increase in order to carry the increased loss amount to another year.

If your change decreases the tax due to Illinois and you are entitled to a refund or credit carryforward, you must file Form IL-1041-X within

- three years after the due date of the return (including extensions),
- three years after the date your original return was filed, or
- one year after the date your Illinois tax was paid, whichever is latest.

If your change increases the tax due to Illinois, you should file Form IL-1041-X and pay the tax, penalty, and interest promptly.

**Federal change** - You should not file this form until you receive a federal finalization notification from the IRS stating that they have accepted your change, either by paying a refund, or by final assessment, agreement, or judgment.

If your federal change decreases the tax due to Illinois and you are entitled to a refund or credit carryforward, you must file Form IL-1041-X within two years plus 120 days of federal finalization.

If your federal change increases the tax due to Illinois, you must file Form IL-1041-X and pay any additional tax within 120 days of IRS partial agreement or finalization. In order to avoid late payment penalties, you must attach proof of the federal finalization date, showing the change was reported to Illinois within 120 days of IRS acceptance, or you may be assessed a late-payment penalty.

**Note** If you fail to notify us of your change by filing Form IL-1041-X, we may issue a notice of deficiency at any time. Once you file your change, we may issue a notice of deficiency within two years.

## What if my amended return involves an Illinois net loss deduction (NLD)?

If you have an Illinois NLD from any loss year ending on or after December 31, 1986, it is subtracted from and limited to base income allocable to Illinois.

To determine your "Illinois net loss" start with your total unmodified base income and apply all addition and subtraction modifications, and all allocation and apportionment provisions.

If you are carrying an Illinois NLD, you must complete and attach Illinois Schedule NLD, Illinois Net Loss Deduction, and claim the deduction on Step 5, Line 30. See Specific Instructions for Step 5, Line 30.

Do not file Form IL-1041-X to report an Illinois NLD carryforward until **after** you have filed the loss year Form IL-1041, Form IL-1041-X, or Form IL-843 (for tax years ending prior to December 31, 2007) reporting the loss. When you file Form IL-1041-X, you must attach a completed Illinois Schedule NLD. **Failure to attach the correct and completed schedule could result in partial or total denial of your claim.**

If you need more information visit our website at [tax.illinois.gov](http://tax.illinois.gov) and see the Schedule NLD instructions, or the Illinois Income Tax Regulations, Sections 100.2050 and 100.2300 through 100.2330.

## Who should sign the return?

Your Form IL-1041-X must be signed by the fiduciary of the trust or estate. If there are two or more joint fiduciaries, the signature of one will comply with the requirements of the IITA. In the case of bankruptcy, a receiver, trustee, or assignee must sign any return required to be filed on behalf of the trust or estate. Any person paid to prepare the return (other than a fiduciary of the trust or estate, or a regular, full-time employee of the taxpayer, such as a clerk, secretary, or bookkeeper) must provide a signature, date the return, enter the preparer tax identification number (PTIN) issued to them by the Internal Revenue Service, and provide their firm's name, address, and phone number.

## Can a reasonable facsimile be used?

In general, you must obtain and use forms prescribed by the Illinois Department of Revenue. Separate statements not on forms provided or approved by the Department will not be accepted and you will be asked for appropriate documentation. **Failure to comply with this requirement may result in failure to file penalties, a delay in the processing of your return, or a delay in the generation of any overpayment.** Additionally, failure to submit appropriate documentation when requested may result in a referral to our Audit Bureau for compliance action.

**Trusts and Estates must complete Form IL-1041-X.** Do not send a computer printout with line numbers and dollar amounts attached to a blank copy of the return. Computer generated printouts are not acceptable, even if they are in the same format as the Department forms. Computer generated forms from a Department-approved software developer are acceptable.

## What are the penalties and interest?

**Penalties** — You will owe

- a **late-filing penalty** if you do not file a processable return by the extended due date;
- a **late-payment penalty** if you do not pay the tax you owe by the original due date of the return;
- a **bad check penalty** if your remittance is not honored by your financial institution;

- a **cost of collection fee** if you do not pay the amount you owe within 30 days of the date printed on your bill.

**Interest** — The interest rate is the federal underpayment rate, which is set by the IRS under IRC Section 6621.

**Note** → For more information about penalties and interest, see Publication 103, Penalties and Interest for Illinois Taxes, available at [tax.illinois.gov](http://tax.illinois.gov).

## What must I attach to my Form IL-1041-X?

This form must contain a complete explanation of the reasons for filing the claim or amendment. You **must** attach proof of the federal finalization date and any schedules, forms, breakdowns, statements, or other documentation required to support your claim. If Form IL-1041-X is submitted without the proper attachments, it may be partially or totally denied.

Examples of federal finalization include a copy of one or more of the following items:

- your federal refund check
- your audit report from the IRS
- your federal transcript verifying your federal taxable income

If you are filing Form IL-1041-X because

- you filed an amended federal return and your tax due to Illinois decreases, you must attach proof of the federal finalization date, a copy of that federal return, plus any other related forms, schedules, or attachments, including a signed and dated copy of any federal report of income tax examination changes, if applicable.

- you filed an amended federal return and your tax due to Illinois increases, you must attach proof of the federal finalization date, including a signed and dated copy of any federal report of income tax examination changes, if applicable, showing the change was reported to Illinois within 120 days of IRS acceptance, or you may be assessed a late-payment penalty.
- of a change by the IRS, you must include all copies of the federal examining officer's reports, including preliminary, revised, corrected, and superseding reports, and a signed and dated copy of any federal report of income tax examination changes, if applicable.
- you copied information incorrectly from your federal Form 1041 onto your Form IL-1041, you must include a copy of your federal Form 1041.
- of a change in, or audit of, another state's tax return, you must include a copy of the other state's corrected return or the examining officer's reports.
- of an Illinois net loss deduction, you must include a completed Illinois Schedule NLD. See Specific Instructions for Line 30.
- of a change in the information reported on your Schedule D, Beneficiary Information, you must include a corrected Illinois Schedule D.
- of changes reported on a revised Schedule K-1-P or K-1-T (or any equivalent document) **you received**, you must include a copy of the revised Schedule(s) K-1-P or K-1-T (or equivalent document). **Do not** attach copies of Schedule(s) K-1-T **you issued** and which lists your name and FEIN in Step 1 of Schedule K-1-T.
- of changes, other than those described above, see Form IL-1041 Instructions and any schedules for the year you are changing to determine what attachments you must provide.

## What if I need additional assistance or forms?

If you need additional assistance -

- Visit our website at [tax.illinois.gov](http://tax.illinois.gov).
- Write to us at:

**ILLINOIS DEPARTMENT OF REVENUE**  
**PO BOX 19044**  
**SPRINGFIELD IL 62794-9044**

- Call **1 800 732-8866** or **217 782-3336** (TDD, telecommunications device for the deaf, at **1 800 544-5304**).
- Visit a regional office.

Our office hours are 8:00 a.m. to 5:00 p.m. (Springfield office) and 8:30 a.m. to 5:00 p.m. (all other regional offices), Monday through Friday.

If you need additional forms or schedules, visit our website at [tax.illinois.gov](http://tax.illinois.gov).

## Specific Instructions

For instructions regarding completion of Steps 1, and 3 through 7, refer to the Form IL-1041 Instructions and schedules for the year being amended.

Specific instructions for most of the lines are included. If a specific line is not referenced, follow the instructions on the form.

Enter the tax year you are amending in the space provided at the top of Form IL-1041-X.

### Step 1: Identify your fiduciary

**A — All taxpayers:** Type or print your legal business name. If you have a name change from your original return, check the corresponding box.

**B —** Type or print your mailing address. If your address has changed since you filed your last return, check the box.

**C —** Indicate if you are a trust or an estate by checking the appropriate box.

**D —** Indicate if you are an Electing Small Business Trust (ESBT), an individual bankruptcy estate, or a complex trust without distribution by checking the appropriate box.

**Note** → For individual bankruptcy estates, you should complete Form IL-1040-X, Amended Individual Income Tax Return, carry the tax amount to Step 7 of Form IL-1041-X, and check the individual bankruptcy estate box. On the top of Form IL-1040-X, write "Individual Bankruptcy Estate. Do not detach." Attach Form IL-1040-X to the back of Form IL-1041-X.

**E — Check the appropriate box for the reason you are filing this return.** If you are amending due to a federal change, you **must** check the appropriate box for partial agreed or finalized, and include the date of IRS finalization, which might not be the date the federal amended return was filed. Please attach a dated copy of any federal examining officer's report. If you do not provide this date or the required attachments, you may be assessed penalties and interest.

**G —** Check the box if you are filing this form only to report an increased net loss, you have no Compassionate Use of Medical Cannabis Pilot Program Act surcharge or pass-through withholding payments to report on behalf of your members on your original or amended return, and no overpayment will result. Complete Steps 2 through 4, and Illinois Schedule NR (Form IL-1041), if applicable, and Step 5, Lines 27 through 29. Sign the return in Step 9 and leave the rest of the form blank.

**H —** If you are not an Illinois resident, you must check the box on Line H and attach a completed Illinois Schedule NR (Form IL-1041), Nonresident Computation of Fiduciary Income, to this return.

**I —** You must check the box and attach Schedule 1299-D, Income Tax Credits, if you are entitled to take income tax credits on Step 7, Line 46, even if the amount is not changing from your original return, or if you have earned credits in this tax year, but are unable to use them. Attach Illinois Schedule 1299-D and any other required support listed on Schedule 1299-D to your tax return, even if you are unable to use any of the credits in this tax year.

**J** — If you received income from a partnership, an S corporation, or another trust or estate, you must check the box on Line J, and attach Illinois Schedule I, Income Received, to this return.

**K** — You must check the box and attach Form IL-4562, Special Depreciation, if you are claiming special depreciation addition or subtraction modifications on Form IL-1041-X, even if the amounts are not changing from your original return.

**L** — You must check the box and attach Schedule M, Other Additions and Subtractions (for businesses), if you are claiming other addition or subtraction modifications on Form IL-1041-X, even if the amounts are not changing from your original return.

**M** — You must check the box and attach Schedule 80/20, Related-Party Expenses, if you are claiming related-party expenses modifications on your Form IL-1041-X, even if the amounts are not changing from your original return.

**N** — If you completed federal Form 8886 to report a tax shelter, and you did not attach a copy to your original return, check the box and attach a copy of the federal Form 8886 to this return. If you are filing this return because of changes associated with federal Form 8886, provide a detailed explanation in Step 2.

**O** — Check the box if you must adjust your loss or loss carryover due to discharge of indebtedness. For more information, see the Form IL-1041 Instructions for Line 28 and the Loss Reduction Worksheet.

## Step 2: Explain the changes on this return

The purpose of Step 2 is to allow you to explain what specific changes you are making to your Illinois tax return. You should include all relevant information, including, but not limited to, changes made to

- specific addition and subtraction modifications,
- the business income election,
- credit or credit recapture amounts,
- the Illinois net operating loss deduction, and
- the federal or other state return that caused changes to the Illinois return.

You must provide an explanation for each line item you change.

If your changes generate an overpayment which you elect to receive as a credit carryforward and you elect to apply that credit to a tax year other than the year described in the Line 62 instructions, you must follow the instructions found under “May I apply my credit to a different tax year?” If you fail to include the required information in your explanation, your election will be considered invalid and we will not apply your credit as you requested.

## General Information for Steps 3 through 7

**Column A** — Enter the amounts from your most recently filed or adjusted return for the year that you are amending. This may be figures from your original Form IL-1041, or a previously amended or audited return.

**Column B** — Enter the correct amount for each line in Column B.

For each line item you change, you must provide an explanation for that change in Step 2.

**Note** — If you are filing this form only to report an increase in your Illinois net loss, you have no Compassionate Use of Medical Cannabis Pilot Program Act surcharge or pass-through withholding payments to report on behalf of your members on your original or amended return, and the change will not result in an overpayment, see the instructions for Step 5, Line 27.

## Step 3: Figure your income or loss

**Lines 1 through 10** — Refer to your Form IL-1041, Step 2, Specific Instructions, for the year being amended.

**Note** — Do not apply your Illinois net loss deduction amount from Illinois Schedule NLD in this step. NLDs are reported on Step 5, Line 30.

## Step 4: Figure your Illinois base income or loss

**Lines 13 through 24** — List each item and the amount on the line provided. You must identify all subtractions and attach all of the required supporting documentation.

**Line 26** — This is your base income or loss. If you are a resident of Illinois enter this amount on Step 5, Line 27, and complete the rest of the return. If you are a nonresident of Illinois complete a revised Illinois Schedule NR (Form IL-1041), before completing Step 5. Complete a revised Illinois Schedule NR (Form IL-1041) only if you completed this schedule with your original return. **You must attach a completed Illinois Schedule NR (Form IL-1041) to your return.**

**Note** — If you elected to treat all of your income other than compensation as business income on your original or corrected Illinois Schedule NR (Form IL-1041), you must follow that election on your revised Illinois Schedule NR (Form IL-1041). If you are filing this return on or before the extended due date, and are making the election to treat all nonbusiness income as business income, you must complete a new Illinois Schedule NR (Form IL-1041). See Illinois Schedule NR (Form IL-1041), Specific Instructions, for the year being amended.

## Step 5: Figure your net income

**Line 27** — Follow the instructions on the form. If the corrected amount in Column B reflects a loss, you may be able to carry this loss to other years as an Illinois NLD. See the instructions for Illinois Schedule NLD for more information.

**Note** — If you are filing this form only to report an increase in your Illinois net loss, you have no Compassionate Use of Medical Cannabis Pilot Program Act surcharge or pass-through withholding payments to report on behalf of your members on your original or amended return, and the change will not result in an overpayment, check the box in Step 1, Line G, complete Steps 3 and 4, Step 5, Lines 27 through 29, and Illinois Schedule NR (Form IL-1041), if applicable. Complete Step 2 explaining what caused the increase in the Illinois net loss and sign the return in Step 9. Leave the rest of the form blank.

**Line 28** — If for federal income tax purposes you were required to reduce a federal net operating loss reported on your federal Form 1041 because you excluded from federal gross income discharge of indebtedness income, then you may be required to reduce the net loss reported on Line 27. Use the Loss Reduction Worksheet in the Form IL-1041 Instructions to figure your loss reduction. Also, **attach to Form IL-1041-X a copy of your federal Form 982, Reduction of Tax Attributes Due to Discharge of Indebtedness.** For additional information, see Illinois Income Tax Regulations Section 100.2310(c).

**Note** — If you also have Illinois net operating loss carryovers to the tax year of the debt cancellation, you may also be required to reduce these carryovers. See Schedule NLD for more information.

**Line 29** — If you have a discharge of indebtedness adjustment on Line 28, add Lines 27 (a negative number) and 28 (a positive number), and enter the result here. This amount cannot be greater than zero.

If you do not have a discharge of indebtedness adjustment, enter zero on Line 28 and the amount from Line 27 on Line 29.

**Line 30** — Enter your Illinois NLD carryforward from the Illinois Schedule NLD, Step 1, Line 5 total box. **Attach Illinois Schedule NLD to your Form IL-1041.**

**You must attach a completed Illinois Schedule NLD, Illinois Net Loss Deduction, to support the amount of Illinois NLD claimed.**

**Line 31** — The standard exemption is \$1,000. If you have a change in your tax year end, and the result is a tax period of less than 12 months, the standard exemption is prorated based on the number of days in the short tax year. However, if this is your first or final return, you are allowed to use the full-year standard exemption even if it is a short tax year. If you are a nonresident, you must use Schedule NR (Form IL-1041) to compute your exemption allowance.

This figure cannot be greater than "\$1,000."

## Step 6: Figure your net replacement tax - For trusts only, estates go to Step 7

Follow the instructions on the form. Be sure to attach any required schedules or forms.

**Line 35** — See Illinois Schedule 4255, Recapture of Investment Tax Credits, for more information. You must attach Illinois Schedule 4255 if you have an amount on this line.

**Line 37** — See Illinois Schedule CR (Form IL-1041), for more information regarding the replacement tax credit for income tax paid to another state while an Illinois resident. You must attach Illinois Schedule CR (Form IL-1041) and all required supporting documents. See Schedule CR instructions for more information.

**Line 38** — See Form IL-477, Replacement Tax Investment Credits, for more information. You must attach Form IL-477 and any other required support listed on Form IL-477 if you have an amount on this line.

## Step 7: Figure your net income tax - For trusts and estates

Follow the instructions on the form. Be sure to attach any required schedules.

**Line 42** — If your tax year ends on or before June 30, 2017 - Follow the instructions on the form.

**If your tax year ends on or after July 1, 2017** - The income tax rate has changed for tax periods ending on or after July 1, 2017. You must use Schedule SA (IL-1041) or the blended income tax rate to calculate your tax. See Schedule SA Instructions (IL-1041), and Informational Bulletin FY 2018-02, Illinois Income Tax Increase Guidance, for more information.

**Line 43** — See Illinois Schedule 4255 for more information regarding the recapture of investment credits. You must attach Illinois Schedule 4255 if you have an amount on this line.

**Line 45** — See Illinois Schedule CR (Form IL-1041), for more information regarding the income tax credit for income tax paid to another state while an Illinois resident. You must attach Illinois Schedule CR (Form IL-1041) and all required supporting documents. See Schedule CR instructions for more information.

**Line 46** — See Illinois Schedule 1299-D for more information regarding income tax credits. If you have an amount on this line, check the box in Step 1, Line I and attach Illinois Schedule 1299-D and any other required support listed on Schedule 1299-D.

## Step 8: Figure your refund or balance due

**Note** — If you are filing this form only to report an increase in your Illinois net loss, you have no Compassionate Use of Medical Cannabis Pilot Program Act surcharge or pass-through withholding payments to report on behalf of your members on your original or amended return, and an overpayment will not result, do not complete this step.

**Line 51** — Compassionate Use of Medical Cannabis Pilot Program Act surcharge. Use the instructions and the Compassionate Use of Medical Cannabis Pilot Program Act Surcharge Worksheet in the Form IL-1041 instruction booklet to figure your surcharge.

**Line 52** — Complete all sections of Illinois Schedule D and enter the amount from Illinois Schedule D, Section A, Line 7 on this line. This is the amount of pass-through withholding payments you owe on behalf of your members. **You must attach a corrected Illinois Schedule D if there is a change in the information reported on your most recently filed Illinois Schedule D.** See "Definitions to help you complete your Form IL-1041" in the Form IL-1041 instructions for more information.

**Note** — Do not include on Line 52 any pass-through withholding payments reported to you on Schedule(s) K-1-P or K-1-T. Pass-through withholding payment amounts reported to you are included on Step 8, Line 54c.

**Note** — You must also issue revised Schedule(s) K-1-T to your beneficiaries if any amounts reported to them on the original Schedule(s) K-1-T you issued have changed. Mark the top of the revised Schedule(s) K-1-T you issue as "Revised."

**Line 54a** — Enter the amount of any overpayment from your prior year tax returns that you requested to be applied to this year's tax return. Take into account any correspondence we may have sent you that changed the amount of your credit carryforward from the previous year.

**Line 54b** — Enter the amount of Illinois Income and Replacement Tax paid with Form IL-505-B. **Do not** report amounts paid with Form IL-516-I or Form IL-516-B on this line. Those amounts are reported on Lines 54e and 54f.

**Note** — If you made a payment on Form IL-1120-ES, enter that amount on Line 54b. In the future use Form IL-516-I or Form IL-516-B to make voluntary prepayments.

**Line 54c** — Enter the amount you wish to claim of Illinois pass-through withholding payments reported to you by partnerships, S corporations, or trusts on Schedule(s) K-1-P or K-1-T. If you received more than one Schedule K-1-P or K-1-T, add the amounts you wish to claim from all the schedules and enter the total on Line 54c. **Attach copies of the Schedules K-1-P and K-1-T you received from the pass-through entities to your Form IL-1041-X.** See "Definitions to help you complete your Form IL-1041" in the Form IL-1041 instructions for more information.

**Note** — Do not include on Line 54c any pass-through withholding payments you owe on behalf of your members. Pass-through withholding payments you owe on behalf of your members are included on Step 8, Line 52.

**Special Note** — **Do not attach** copies of Schedules K-1-T you issued to your beneficiaries. You should keep copies of these schedules in your records.

**Line 54d** — Enter the amount of Illinois income tax withheld on wages and salaries (of a decedent) and gambling withholding that were received by you. **This withholding must be claimed by the fiduciary.** Also include any Illinois Income Tax withheld as reported on any federal 1099 forms you received. **Attach Forms W-2, W-2G, and any federal 1099 forms you received to your Form IL-1041-X.**

**Line 54e** — Enter the total amount of voluntary prepayments you paid for this tax year with **Form IL-516-I only.** **Do not** report amounts paid with Form IL-516-B, Form IL-505-B, or Form IL-1120-ES here.

**Line 54f** — Enter the total amount of voluntary prepayments you paid for this tax year with **Form IL-516-B only.** **Do not** report amounts paid with Form IL-516-I, Form IL-505-B, or Form IL-1120-ES here.

**Line 57** — Enter the total amount of any tax payments you made with a previously filed Form IL-1041-X, or for any other reason (e.g., responding to a bill). Do not include any penalty and interest you previously paid.

**Line 59** — Enter the total amount of any overpayment, credit, or refund (whether received or not) reported on your previously filed Form IL-1041 or Form IL-1041-X. Do not include any interest that you received.

**Line 62** — Enter the amount of overpayment you elect to be credited forward.

Your credit carryforward will not be applied if you do not file a processable return.

If your overpayment accrues interest and you elect to receive your

- entire overpayment as a credit carryforward, any interest due will be applied with your credit as an additional credit carryforward. We will calculate the amount of interest due and notify you. When you claim your credit carryforward in a future year you must include this interest amount in the amount claimed.
- overpayment as both a credit carryforward and a refund, we will apply the credit as you request and include any interest due with your refund.

**Note** → Your credit carryforward may be reduced by us due to corrections we make to your return, or to satisfy any unpaid tax, penalty, and interest due for this year or any other year. If we reduce your credit carryforward, it may result in a late-payment penalty in a subsequent year.

## To which tax year will my credit apply?

If your amended 2016 return was filed

- on or before the original filing and payment due date of your original return**, your credit will be applied to the next full tax year, unless you elect to apply the credit to a different tax year.

**Example 1:** You file your 2016 calendar-year amended return on March 1, 2017, requesting to receive your overpayment as a credit. March 1, 2017, falls before the original filing and payment due date of the 2016 tax year (April 18, 2017, for calendar-year filers). Your credit will be applied against your 2017 tax year liability.

- after the original filing and payment due date of your original return**, your credit will be applied to the next full tax year in which **timely** payments can be made as of the date you are filing this return, unless you elect to apply the credit to a different tax year.

**Example 2:** You file your 2016 calendar-year amended return on August 4, 2017, requesting to receive your overpayment as a credit. August 4, 2017, is after the original filing and payment due date of the 2016 tax year (April 18, 2017, for calendar-year filers), but is before the original filing and payment due date of the 2017 tax year (April 17, 2018, for calendar-year filers). Your credit will be applied against your 2017 tax year liability.

**Example 3:** You file your 2016 calendar-year amended return on April 23, 2018, requesting to receive your overpayment as a credit. April 23, 2018, is after the original filing and payment due date of the 2017 tax year (April 17, 2018, for calendar-year filers), but is before the original filing and payment due date of the 2018 tax year (April 15, 2019, for calendar-year filers). Your credit will be applied against your 2018 tax year liability.

**Note** → If you wish to apply the credit to a different tax year, see “May I apply my credit to a different tax year?”

You may complete the Credit Carryforward Worksheet on page 8 if you require assistance determining the year to which your credit will apply.

## With what date will my credit apply against my tax liability?

If your amended 2016 return was filed

- on or before the extended due date of your original return** (October 16, 2017, for calendar-year filers), your credit is considered to be paid on the original due date of your original return (April 18, 2017, for calendar-year filers).

**However**, if all or a portion of your overpayment results from payments made after the original due date of your original return, that portion of your credit is considered to be paid on the date you made the payment.

**Example 1:** You file your 2016 calendar-year amended return on or before the extended due date of your original return requesting \$500 be applied as a credit. All of your payments are made before the original due date of your original return. Your credit of \$500 will be considered to be paid on April 18, 2017.

**Example 2:** You file your 2016 calendar-year amended return on or before the extended due date of your original return requesting \$500 be applied as a credit. Your overpayment includes payments of \$400 you made before the original due date of your original return, and a \$100 payment you made on June 1, 2017. Your credit of \$400 will be considered to be paid on April 18, 2017. The remaining \$100 credit will be considered to be paid on June 1, 2017.

- after the extended due date of your return**, your credit is considered to be paid on the date you filed the amended return on which you made the election.

**Example 3:** You file your 2016 calendar-year amended return on December 1, 2017, requesting \$500 be applied as a credit. Your credit of \$500 will be considered to be paid on December 1, 2017, because you filed your amended return after the extended due date of your 2016 calendar-year original return.

You may complete the Credit Carryforward Worksheet on page 8 if you require assistance determining with what date your credit will apply.

## May I apply my credit to a different tax year?

Yes. If you wish to apply your credit to a tax year other than the one described above, you must indicate the tax year to which you wish to have the credit apply in the explanation you provide in Step 2 of this return.

If you do not follow these instructions, your election will be considered invalid and we will apply your credit as indicated under “To which tax year will my credit apply?”

If you submit a valid request, we will apply your credit as you requested and notify you. Once made, your election to change the tax year to which your credit will apply is irrevocable.

**Note** → You may only apply your credit to tax years occurring after the year of the return creating the overpayment. If you request to apply more credit than our records show you have available, we will apply the maximum amount available and notify you of the difference.

**Line 63** — Follow the instructions on the form. We will calculate any interest that may be due you and include it in your refund check. Any refund may be reduced to satisfy any outstanding liability.

We do not currently offer direct deposit as a method for receiving a refund from an amended return. Overpayments will be refunded by check.

**Line 64** — Follow the instructions on the form. This is your amount of tax due that must be paid in full if \$1 or more. We encourage you to let us figure your penalties and interest and send you a bill instead of determining these amounts yourself. We will compute any penalty and interest due and notify you. If you do not calculate your penalty and interest, enter the amount you are paying on the top of Page 1, complete a payment voucher, Form IL-1041-X-V, make your check or money order payable to “**Illinois Department of Revenue,**” and **attach them to the first page of this return.** We will compute any penalty or interest due and notify you.

**Note** We will apply all payments against tax first, penalty second, and interest third.

**Lines 65 through 67** — We encourage you to let us figure your penalties and interest and send you a bill instead of determining these amounts yourself. We will compute any penalty and interest due and notify you. If you calculate the penalties you owe on Form IL-2220, Computation of Penalties for Businesses, enter these amounts on the lines provided. For more information see “What are the penalties and interest?” and Publication 103, Penalties and Interest for Illinois Taxes. **If you calculate penalty and interest, be sure that your payment is equal to the amount on Line 67.**

**Note** Lines 65 and 66 are applicable only if you wish to self-assess late-filing and late-payment penalties on Form IL-2220. We encourage you to leave Lines 65 and 66 blank. We will calculate all penalties and interest and send you a bill.

If you have a balance due on Lines 64 or 67, be sure to **enter the amount you are paying on the top of Page 1 of the Form IL-1041-X. Complete a payment voucher, Form IL-1041-X-V, make your check or money order payable to “Illinois Department of Revenue,” and attach them to the first page of this return.**

## **Step 9 — Signature, date, and paid preparer’s information**

You must sign and date your return. If you do not sign your return, it will not be considered filed and you may be subject to a **nonfiler penalty.**

If you pay someone to prepare your return, the income tax return preparer must also sign and date the return, enter the preparer tax identification number (PTIN) issued to them by the Internal Revenue Service, and provide their firm’s name, address, and phone number.

If you want to allow the paid preparer listed in this step to discuss this return with the Department, check the box. This authorization will allow your paid preparer to answer any questions that arise during the processing of your return, call us with questions about your return, and receive or respond to notices we send. The authorization will automatically end no later than one year after you file your amended return. You may revoke the authorization at any time by calling or writing us.

## Credit Carryforward Worksheet

### Step 1: Determine the tax year to which your credit will apply

Check box A or B and follow the instructions for the box you checked. If you did not check a box, do not complete the question(s) associated with that box.

**A**  I filed my amended return on or before the original filing and payment due date of my original return.

*Complete Line 1a only if you checked box A, above.*

→ **1a** Enter the ending date of the next full tax year. This is the year your credit will be applied to unless you elect to apply it to a different year.

**1a** \_\_\_\_/\_\_\_\_/\_\_\_\_

#### Example:

- A calendar-year filer, filing an amended return on March 1, 2017 (which falls before April 18, 2017, the original filing and payment due date for the 2016 tax year), would enter the next full tax year ending date, 12/31/2017.

**B**  I filed my amended return after the original filing and payment due date of my original return.

*Complete Lines 1b through 2b only if you checked box B, above.*

→ **1b** Enter the date you filed this amended return.

**1b** \_\_\_\_/\_\_\_\_/\_\_\_\_

→ **2b** Enter the ending date of the next full tax year for which a payment made on the date entered on Line 1b would be considered a timely payment. This is the year your credit will be applied to unless you elect to apply it to a different year.

**2b** \_\_\_\_/\_\_\_\_/\_\_\_\_

#### Examples:

- A calendar-year filer, filing an amended return on August 4, 2017 (which falls after April 18, 2017, the original filing and payment due date for the 2016 tax year, but before April 17, 2018, the original filing and payment due date for the 2017 tax year), would enter 12/31/2017 on Line 2b.
- A calendar-year filer, filing an amended return on April 23, 2018 (which falls after April 17, 2018, the original filing and payment due date for the 2017 tax year, but before April 15, 2019, the original filing and payment due date for the 2018 tax year), would enter 12/31/2018 on Line 2b.

### Step 2: Determine the date that your credit will apply against your tax liability

Check box A or B and follow the instructions for the box you checked. If you did not check a box, do not complete the question(s) associated with that box.

**Note** → Credit carryforwards calculated on this worksheet will not be available until your return is processed by the Department. Your credit carryforward may be reduced by us due to corrections we make to your return, or to satisfy any unpaid tax, penalty, and interest due for this year or any other year. If we reduce your credit carryforward, it may result in a late-payment penalty in a subsequent year.

**A**  I filed my amended return on or before the extended due date of my original return.

*Complete Lines 1a through 3a only if you checked box A, above.*

→ **1a** Enter the original due date for your 2016 original return.

**1a** \_\_\_\_/\_\_\_\_/\_\_\_\_

→ **2a** Enter the total amount of your overpayment from payments made **on or before** the date entered on Line 1a. A credit in this amount will be applied to your account with the date entered on Line 1a.

**2a** \_\_\_\_\_

→ **3a** Enter the overpayment amount(s) and payment date(s) for any payment(s) you made **after** the date entered on Line 1a. Credit(s) in the amount(s) listed below will be applied to your account and will be considered to be paid on the date you made the payment.

Overpayment Amount	Date of Payment	Overpayment Amount	Date of Payment	Overpayment Amount	Date of Payment
\$	/ /	\$	/ /	\$	/ /
\$	/ /	\$	/ /	\$	/ /

**B**  I filed my amended return after the extended due date of my original return.

*Complete Line 1b only if you checked box B, above.*

→ **1b** Enter the date you filed this amended return. The date you enter is the date we will consider your credit to have been paid.

**1b** \_\_\_\_/\_\_\_\_/\_\_\_\_