

**Schedule SA Instructions (IL-1040)****General Information**

This Schedule SA (for individuals) is for use by fiscal-year taxpayers with tax years ending **on** or **after** July 1, 2017, and **on** or **before** December 30, 2017.

The purpose of Schedule SA, Specific Accounting, is to provide a means for calculating your income and tax at separate rates, due to an income tax rate change during your tax year. Schedule SA allows you to figure your tax based on the specific accounting method.

The **specific accounting method** allows you to treat your net income or loss and modifications as though they were earned in two different taxable years.

For individuals, the amount earned prior to July 1, 2017, is taxed at 3.75 percent. The amount earned on or after July 1, 2017, is taxed at 4.95 percent. The two tax amounts are then added together to get the total tax liability.

Note Do not use this schedule if you are filing Form IL-1040 for a calendar tax year, or if you are a fiscal year filer and your Illinois net income as calculated on Form IL-1040, Line 9, or Schedule NR, Line 46, is zero.

Who should use Schedule SA?

You must use Schedule SA if you elect not to use the blended rate method of computing your tax when the rate changes during your tax year. The blended rate method taxes your income as if you received it evenly throughout the year.

If you actually earned more of your income during the period to which the 3.75 percent tax rate applies, electing to use the specific accounting method on Schedule SA to determine how much of your income is taxed at the 3.75 percent rate and how much is taxed at the 4.95 percent rate will reduce your tax liability. The election is made by attaching Schedule SA to your timely-filed original return.

Once the election is made, it is irrevocable.

Specific Instructions**Step 1— Personal Information**

Enter your name and Social Security number, as shown on your Form IL-1040, Individual Income Tax Return.

Step 2 — Income

Column A — For each line item, enter the amount included for the portion of your tax year that comes before July 1, 2017, based on your method of allocation.

Column B — For each line item, enter the amount included for the portion of your tax year that comes after June 30, 2017, based on your method of allocation.

Note All items of income, deduction, and loss passed through to you by a partnership, S corporation, trust, or estate are treated as received by you on the last day of that entity's taxable year.

Note **Full-year Illinois residents:** Skip Step 3, enter the amounts from Line 9 on Step 4, Line 20, and complete the rest of the form.

Nonresidents and part-year residents: Complete Steps 3 and 4.

Step 3 — Figure your apportionment factor - (Nonresidents or part-year residents only)

If you completed Form IL-1040, Schedule NR, Nonresident and Part-Year Resident Computation of Illinois Tax, you must complete Step 3 to apportion business income and allocate nonbusiness income to Illinois appropriately.

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Line 10 — Enter the amount of nonbusiness income or loss included in Line 9. The amount of nonbusiness income is represented in the amounts shown on your Schedule NR, Steps 3 and 4, Column A.

Line 11 — Enter the amount of business income or loss from non-unitary partnerships, partnerships included on a Schedule UB, S corporations, trusts, or estates, as shown on your Schedule NR, Steps 3 and 4, Column A.

Lines 14 through 16 — Enter the amounts calculated on the Business or Farm Income Apportionment Formula (IAF) Worksheet in the Schedule NR instructions.

Line 18 — Enter the amount of nonbusiness income or loss included in Line 9 allocated to Illinois on your Schedule NR, Steps 3 and 4, Column B.

Line 19 — Enter the amount of business income or loss apportionable to Illinois from non-unitary partnerships, partnerships included on a Schedule UB, S corporations, trusts, or estates, as reported to you on Schedule(s) K-1-P, Partner's or Shareholder's Share of Income, Deductions, Credits, and Recapture, or Schedule(s) K-1-T, Beneficiary's Share of Income and Deductions, Steps 4 and 5, and included in Column B of your Schedule NR.

Step 4 — Net income and tax

Line 20 — Follow the instructions on the form.

Line 21 — Prorate your exemption allowance between the two separate tax periods based on the number of days in each tax period.

- Divide the number of days in each tax period by the total number of days in the tax year.
- Round the result to six decimal places.
- Multiply the decimal by the total exemption allowance. See Form IL-1040, Line 10, or Schedule NR, Line 50, for your total exemption allowance amount.

Note The sum of Column A and Column B cannot exceed your total exemption allowance amount.

Line 22 — Follow the instructions on the form.

The total from Columns A and B	Must equal the amount on
Line	
20	Form IL-1040, Line 9, or Schedule NR, Line 46
21	Form IL-1040, Line 10, or Schedule NR, Line 50
22	Form IL-1040, Line 11, or Schedule NR, Line 51

Line 23 — Before completing this line, determine if Column B, Line 22, is zero, a positive number, or a negative number and follow the instructions below.

If Column B, Line 22, is negative:

- enter zero in Column B, Line 23, and
- enter in Column A, Line 23, the result of adding Column B, Line 22, plus Column A, Line 22.

Note If both Column A, Line 23, and Column B, Line 23, are negative, you have no tax liability to calculate. Do not use this schedule.

If Column B, Line 22, is positive or zero:

- enter Column A, Line 22, in Column A, Line 23, and
- enter Column B, Line 22, in Column B, Line 23.

Note If Column A, Line 23, is negative or zero, using Schedule SA instead of using the blended rate will result in a higher tax liability. Do not use this schedule.

Lines 24 and 25 — Follow the instructions on the form.

Note Attach this form directly behind your Form IL-1040, as **Attachment No. 1**. This attachment supersedes all other attachments.