



# 2020 Schedule 1299-D Instructions

## What's new for 2020?

- Form 1299-D has been redesigned. Only credits earned or received in the current year will be entered on the 2020 Schedule 1299-D.
- The Student-Assistance Contributions credit has been extended to December 30, 2021 per PA 101-604.

**Note:** K-1-Ps are required as support for any credit being claimed that was distributed to the claiming entity by a partnership or S corporation. All income tax credits are distributable by partnerships and S corporations, **except:**

- TECH-PREP Youth Vocational Programs
- Dependent Care Assistance Program Tax
- Employee Child Care
- High Impact Business Investment

## General Information

Complete this schedule if you are filing Form IL-1120, Corporation Income and Replacement Tax Return, Form IL-1041, Fiduciary Income and Replacement Tax Return, or Form IL-990-T, Exempt Organization Income and Replacement Tax Return, and are entitled to any of the credits listed on Schedule 1299-I, Income Tax Credits Information and Worksheets.

**This schedule must be completed if you earned credits this year; even if you are not using the credits to offset current tax liability.**

If you receive more than one of the same eligible credit code with the same expiration date, you should add all amounts for that credit code and enter the total on the corresponding line on Schedule 1299-D, Step 3, Column F.

If you are filing an Illinois **combined unitary** return, complete one Illinois Schedule 1299-D for the entire group. For each credit, you will need to complete at least one row on Schedule 1299-D, Step 3 for each unitary group member who received the credit.

*For example, unitary group member A (FEIN 12-3456789) earned \$300 of Film Production Services Credit during the tax year ending 12/31/20. Member B (FEIN 98-7654321) earned \$400 of Film Production Services Credit during the year ending 12/31/20. Complete Schedule 1299-D, Step 2 as follows:*

- enter "2025-12" in Column A, "5000" in Column B, "2020-12" in Column C, "12-3456789" in Column D, and "300" in Columns F and I
- enter "2025-12" in Column A, "5000" in Column B, "2020-12" in Column C, "98-7654321" in Column D, and "400" in Columns F and I

See Example 1 below.

## What must I attach?

**ATTACH: Schedule K-1-P, Partner's or Shareholder's Share of Income, Deductions, Credits, and Recapture, if**

- you are a partner in a partnership or a shareholder in an S corporation, and you received a Schedule K-1-P from the partnership or S corporation showing an amount of credit that you may claim on your Schedule 1299-D. In order to claim amounts reported to you on a Schedule K-1-P, the tax year ending listed on the Schedule K-1-P you received must fall within your tax year.

**ATTACH: Certificates issued by the Department of Commerce and Economic Opportunity (DCEO) if**

- you entered into an agreement with DCEO and DCEO issued a tax certificate to you indicating the name of the credit and the amount of the credit allowed in this taxable year; or
- you purchased or had credit transferred to you from another business and the credit purchase or transfer was approved by DCEO, who then issued you a tax certificate indicating the name of the credit and the amount of credit allowed in this taxable year.

**Note:** Any income tax credit administered by DCEO requires a copy of the certification to claim the credit. Those income tax credits **include:**

- Film Production Services
- Economic Development for a Growing Economy (EDGE)
- Angel Investment
- New Markets Development
- Live Theater Production
- Data Center Construction Employment
- Apprenticeship Education Expense
- Enterprise Zone Construction Jobs
- High Impact Business Construction Jobs
- New Construction EDGE
- River Edge Construction Jobs

See the [DCEO website](#) for a list of incentives (credits) and DCEO contact information.

**ATTACH: Certificates issued by the Illinois Department of Natural Resources (DNR) if**

- you entered into an agreement with DNR and
- DNR issued a tax certificate to you indicating the name of the credit and the amount of the credit allowed in this taxable year;

**Note:** Any income tax credit administered by DNR requires a copy of the certification to claim the credit. Those income tax credits **include:**

- River Edge Historic Preservation
- Historic Preservation

See the [DNR website](#) for a list of credits and contact information.

**ATTACH: Any other documents required by the Illinois Department of Revenue and noted in these instructions or Schedule 1299-I.**

## Example 1

A Expiration Date YYYY-MM	B Credit Code	C Credit Earned YYYY-MM	D Unitary Member FEIN	E Certificate Number	F Credit Amount Earned	G Distributive Share Credit from K-1-P	H Transferred Credit Amount	I Total Credits (F + G + H)
2025-12	5000	2020-12	12-3456789		\$300	0	0	\$300
2025-12	5000	2020-12	98-7654321		\$400	0	0	\$400

- If you claim the **Affordable Housing Donations** credit, you must attach a copy of proof of the credit issued by the Illinois Housing Development Authority or the city of Chicago.
- If you transferred the **Hospital** credit, attach a written notice of the transfer that you issued to the transferee. If you claim the **Hospital** credit because the credit was transferred to you, you must attach a copy of the written notice of the transfer that the seller or donor sent to the Illinois Department of Revenue. See the Schedule 1299-I specific instructions for the Hospital credit for the required written notice information.

**Failure to follow these instructions and attach required documentation will result in one or more of the following: a delay in the processing of your return, the disallowance of the credit, or the receipt of correspondence from the Department. You also may be required to submit further information to support your filing.**

## Should I round?

You must round the dollar amounts on Schedule 1299-D to whole-dollar amounts. To do this, you should drop any amount less than 50 cents and increase any amount of 50 cents or more to the next higher dollar.

## What if I need additional assistance or forms?

- Visit our website, [tax.illinois.gov](http://tax.illinois.gov), for assistance, forms or schedules.
- Write us at:  
**ILLINOIS DEPARTMENT OF REVENUE**  
**PO BOX 19001**  
**SPRINGFIELD IL 62794-9001**
- Call **1 800 732-8866** or **217 782-3336** (TDD, telecommunications device for the deaf, at **1 800 544-5304**).
- Visit a taxpayer assistance office - 8:00 a.m. to 5:00 p.m. (Springfield office) and 8:30 a.m. to 5:00 p.m. (all other offices), Monday through Friday.

## Specific Instructions

In order to claim amounts reported to you on an Illinois Schedule K-1-P, the tax year ending listed on the Illinois Schedule K-1-P you received must fall within your tax year.

### STEP 1 - Worksheet

Complete this step only if you earned the Research and Development income tax credit during your current tax year.

#### ■ Research and Development

Complete this step before entering any Research and Development credit earned in the current year in Step 3.

Complete the Research and Development Worksheet in Schedule 1299-I. Bring the corresponding amounts from Schedule 1299-I, Worksheet, Line 6, Columns A and B, to Schedule 1299-D, Step 1, Line 1, Columns A and B. Follow the instructions on Schedule 1299-D to calculate the amount to list in Step 3, Column F on the line that you enter Credit Code 5340 in Column B.

### STEP 2 - Calculate your credit for the current year **\*\*Complete Step 3 before completing this Step\*\***

#### Line 4 -

Enter the total amount (sum) of credit available to be carried into this tax year from your 2019 Schedule 1299-D, Column J or other worksheet used to calculate your carry forward from 2019.

#### Lines 5 through 10 -

Follow the instructions on the form.

### STEP 3 - Enter your current credits

#### **\*\*Complete this Step before completing Step 2\*\***

You must list **all** new credits, distributive shares, or transferred credits that were earned or received this year. This schedule must be completed if you earned or received credits this year, even if you are not using the credits to offset current tax liability.

If you have more qualifying credits than space provided on Schedule 1299-D, attach additional Schedule(s) 1299-D and enter the total credit you may claim on your original Schedule 1299-D, Step 2, Line 5 and Step 3, Line 35, Column I. **Do not enter the total on your additional schedules.**

Additionally, if you received more than one Schedule K-1-P for any eligible credit, add the amounts from all Schedules K-1-P for that credit and enter the total in Step 3, Column G on the line with that credit code on your Schedule 1299-D.

Follow the instructions below to complete Schedule 1299-D, Step 3, Columns A through D and Columns F through I. To determine the correct amount to list in Schedule 1299-D, Step 3, Column F, use the Schedule 1299-I instructions and worksheets.

#### Lines 11 through 34 -

##### Column A - Expiration Date

Enter the four-digit year and two-digit month of the expiration of each credit. Separate the year and the month with a dash (YYYY-MM). For example, if you first earned and received a Department of Commerce and Economic Opportunity (DCEO) certificate for an Film Productions Services credit in August of 2020 and you are a calendar-year filer, you will enter "2025-12" as the expiration date in Column A for this credit.

**Note:** Only credits earned this year are to be entered on this schedule.

##### Column B - Credit Code

Each credit has a four-digit code used to identify it. The first digit of the code indicates how many years the credit can be carried forward. For example, all credits that can be carried forward two years start with "2". The remaining three digits are the unique indicator for that specific code. Ten year carry forwards will use two digits for the year and two digits as the unique indicator. Credit codes that start with "0" cannot be carried forward.

Credit Code	Income Tax Credit Name
0160	Apprenticeship Education Expense
2000	TECH-PREP Youth Vocational Programs
2200	Dependent Care Assistance Program
5000	Film Production Services
5040	Employee Child Care (Corporate filers only)
5080	Enterprise Zone Investment
5120	Enterprise Zone Construction Jobs (effective for tax years beginning on or after January 1, 2021)

##### Active Credits

Credit Code	Income Tax Credit Name
5160	High Impact Business Construction Jobs (effective for tax years beginning on or after January 1, 2021)
5220	High Impact Business Investment
5260	Affordable Housing Donations
5300	Economic Development for a Growing Economy (EDGE)
5320	New Construction EDGE (effective for tax years beginning on or after January 1, 2021)
5340	Research and Development
5380	Wages Paid to Ex-Felons
5420	Student-Assistance Contributions
5460	Angel Investment
5500	New Markets Development
5540	River Edge Historic Preservation
5560	River Edge Construction Jobs (effective for tax years beginning on or after January 1, 2021)
5580	Live Theater Production
5620	Hospital
5660	Invest in Kids
5820	Data Center Construction Employment
1030	Historic Preservation

**Expired Credits**, can only be carried forward

5390	Veterans Jobs (Credit earned in tax years beginning before January 1, 2015, for qualified veterans, and for tax years ending on or before December 31, 2016, for qualified unemployed veterans)
5530	River Edge Redevelopment Zone Investment (Credit earned in tax years beginning before July 12, 2016)
5550	River Edge Redevelopment Zone Remediation (Credit earned in tax years beginning before July 12, 2016)
5700	Natural Disaster (Credit earned in tax years beginning on or after January 1, 2017 and beginning prior to January 1, 2019)
1000	Historic Preservation (Credit earned in tax years ending on or before December 31, 2015)

**Column C - Credit Earned**

Write the four-digit year and two-digit month of the Illinois tax year ending during which the credit was first earned. Separate the year and the month with a dash (YYYY-MM). For example, if you first earned and received a Department of Commerce and Economic Opportunity (DCEO) certificate for a Film Production Services credit in August of 2020 and you are a fiscal filer with a tax year beginning July 1, 2020 and ending June 30, 2021, you will enter "2021-06" for this credit.

**Note:**

- If you are a 52/53-week filer, use the calendar or fiscal year-end date closest to your tax year-end date. For example, if a 52/53-week filer has a year ending of 12/27/2020 or 1/2/2021, they would use 2020-12 for their tax year end date.

**Example 2**

A Expiration Date YYYY-MM	B Credit Code	C Credit Earned YYYY-MM	D Unitary Member FEIN	E Certificate Number	F Credit Amount Earned	G Distributive Share Credit from K-1-P	H Transferred Credit Amount	I Total Credits (F + G + H)
2025-12	5000	2020-12	99-1188227		0	\$550	0	\$550
2025-12	5460	2020-12	12-3456789		0	\$500	0	\$500
2025-12	5460	2020-12	98-7654321		0	\$300	0	\$300

- If you are filing a short year return, use the last month that your tax year-end falls in to determine your Tax Year Credit Earned. For example, a short year return filed for the period of 1/1/2021 - 2/15/2021 would use a tax year end date of 2021-02.

**Column D - Unitary Member FEIN**

Enter the FEIN of the unitary member that earned the credit. If you are non-unitary filer, this column should be left blank.

**Column E - Certificate Number**

If you **earn** the Invest in Kids credit, enter the certificate number from the Certificate of Receipt (COR) you received from the Scholarship Granting Organization (SGO).

If you receive a **distributive share** of the Invest in Kids credit, do not enter anything in Column E.

For all other credits leave this column blank.

**Column F - Credit Amount Earned**

Use the instructions and worksheets in Schedule 1299-I to determine the correct amount of credit to report in this column.

**Keep a copy of Schedules 1299-I and 1299-D in your records. You may be asked to provide a copy of Schedule 1299-I as additional verification and you will use these schedules to complete your credit carryforward information on Schedule 1299-D next year.**

**Column G - Distributive Share Credit from K-1-P**

Enter the sum of your distributive share of credits that were received from an S corporation or partnership on Schedule K-1-P.

In order to claim the amount reported to you on a Schedule K-1-P, the tax year ending listed on a Schedule K-1-P you received must fall within your tax year. If you report an amount in this column, include a copy of the Schedule(s) K-1-P you received.

For non-unitary filers, if you receive more than one Schedule K-1-P with a distributive share of the same eligible credit, you should add the amounts from all Schedules K-1-P for that credit and enter the total on the corresponding line on Schedule 1299-D, Step 3, Column G.

If you are a unitary group and you are claiming distributive shares received by multiple unitary group members, complete a separate row on Schedule 1299-D, Step 3 for each credit type and each unitary group member that received the distributive shares. On each row, list the FEIN of the member that received the distributive share in Column D.

*For example, unitary group member A (FEIN 12-3456789) received \$500 in distributive shares for the Angel Investment Credit during the tax year ending 12/31/20. Member B (FEIN 98-7654321) received \$300 in distributive shares for the Angel Investment Credit during the tax year ending 12/31/20. Member C (FEIN 99-1188227) received \$300 in distributive shares for the Film Production Services Credit on one Schedule K-1-P and \$250 in distributive shares for the Film Production Services Credit on another Schedule K-1-P, during the tax year ending 12/31/20. Complete Schedule 1299-D, Step 3 as follows:*

- enter "2025-12" in Column A, "5000" in Column B, "2020-12" in Column C, "99-1188227" in Column D, and "550" in

*Columns G and I*

- enter "2025-12" in Column A, "5460" in Column B, "2020-12" in Column C, "12-3456789" in Column D, and "500" in Columns G and I
- enter "2025-12" in Column A, "5460" in Column B, "2020-12" in Column C, "98-7654321" in Column D, and "300" in Columns G and I

See Example 2 on Page 3.

**Note:** In this example, you will need to attach **both** Schedules K-1-P from Member C, as well as the Schedules K-1-P from Members A and B.

Amounts in this column should only contain Distributive Shares of Credit reported on Schedule K-1-P received in the current tax year.

**Note:** List **your** tax year ending as YYYY-MM in Column C. **Do not** list the tax year ending from Schedules K-1-P.

**Column H - Transferred Credit Amount**

Enter the amount of any credit transferred to you.

If you report an amount in this column, include:

- a copy of the written notice of the transfer that the seller or donor received from the Department of Commerce and Economic Opportunity or Department of Natural Resources, or
- a copy of the written notice of the transfer that the seller or donor sent to the Illinois Department of Revenue.

If you are a non-unitary filer and you receive more than one transfer of the same eligible credit code with the same expiration date, you should add the amounts from all transfers for that credit code and enter the total on the corresponding line on Schedule 1299-D, Step 3, Column H.

If you are a unitary group and you are claiming credit transfers received by multiple unitary group members, complete a separate row on Schedule 1299-D, Step 3 for each credit type and each unitary group member that received the transfer. On each row, list that member's FEIN in Column D, and enter the total sum of all transfers that member received for the specific credit identified in Column G.

*For example, unitary group member A (FEIN 12-3456789) received a transfer of \$8,000 of the Affordable Housing credit with an expiration date of 12/31/2021 during the tax year ending 12/31/20. Member B (FEIN 98-7654321) received a transfer of \$3,500 of the Film Production Services Credit with an expiration date of 12/31/2025 and a transfer of \$11,000 of the Hospital credit with an expiration date of 12/31/2025 during the tax year ending 12/31/20. Member C (FEIN 99-1188227) received two transfers with the same expiration date (12/31/2025) from different entities of the Hospital credit, one for \$30,000 and one for \$15,000 during the tax year ending 12/31/20. Complete Schedule 1299-D, Step 3 as follows:*

- enter "2021-12" in Column A, "5260" in Column B, "2020-12" in Column C, "12-3456789" in Column D, and "\$8,000" in Columns H and I
- enter "2025-12" in Column A, "5000" in Column B, "2020-12" in Column C, "98-7654321" in Column D, and "\$3,500" in

*Columns H and I*

- enter "2025-12" in Column A, "5620" in Column B, "2020-12" in Column C, "98-7654321" in Column D, and "\$11,000" in Columns H and I
- enter "2025-12" in Column A, "5620" in Column B, "2020-12" in Column C, "99-1188227" in Column D, and "\$45,000" in Columns H and I

See Example 3 on Page 4.

**Column I - Total Credit**

Total the amounts in Columns F, G, and H for each row and enter the result here.

**Line 35 -**

Total Column I and enter the amount here and in Step 2, Line 5.

**Keep a copy of Schedule 1299-D for your records and for use next year.**

**Credit Carryforward Calculation**

Use the Credit Carryforward to Next Year Calculation Worksheet and Instructions on Pages 5 and 6 to calculate your credit carryforward to next year. If you already have a method of tracking your credit carryforward, you do not need to complete these pages.

**Note: Do not** send these pages with your return.

**Example 3**

A Expiration Date YYYY-MM	B Credit Code	C Credit Earned YYYY-MM	D Unitary Member FEIN	E Certificate Number	F Credit Amount Earned	G Distributive Share Credit from K-1-P	H Transferred Credit Amount	I Total Credits (F + G + H)
2021-12	5260	2020-12	12-3456789		0	0	\$8,000	\$8,000
2025-12	5000	2020-12	98-7654321		0	0	\$3,500	\$3,500
2025-12	5620	2020-12	98-7654321		0	0	\$11,000	\$11,000
2025-12	5620	2020-12	99-1188227		0	0	\$45,000	\$45,000

# Credit Carryforward to Next Year Calculation Worksheet Instructions

If you do **not** have a tracking system for your credits, use your 2019 Schedule 1299-D and 2020 Schedule 1299-D, Step 3 to complete the Credit Carryforward to Next Year Calculation Worksheet.

## Column A - Expiration Date

**1. Figure the expiration date** - Enter the four-digit year and two-digit month of the expiration of each credit. For each credit carried forward from a prior year, add the first number in the credit code to the original credit year earned from your prior year Schedule 1299-D, Step 2, Column C. For credit codes starting with '0', there is no credit carry forward available. For credit codes starting with '2', add 2 to the year on your prior year Schedule 1299-D, Step 2, Column C. For credit codes starting with '5', add 5 to the year on your prior year Schedule 1299-D, Step 2, Column C. For credit codes starting with '10', add 10 to the year on your prior year Schedule 1299-D, Step 2, Column C. For current year credits, use the information from your current year Schedule 1299-D, Step 3, Column A of your 2020 Schedule 1299-D. Applying the credits in this manner ensures that the credits are used in the correct order. Credits are applied based on the earliest expiration.

**2. Enter credits in the following order** - Enter credits with the earliest expiration date first. Then list the next earliest date and progress chronologically until all available credit has been listed. If you have multiple credits with the same expiration date, list them in ascending order by credit code within the zero-year, then two-year, then five-year and finally ten-year credits.

## Column B - Credit Code

Enter the Credit Code listed on your Schedule 1299-D for each credit listed on the worksheet.

## Column C - Credit Available for use this year.

Using the amounts from your 2019 Schedule 1299-D, Column J, and the amounts from 2020 Schedule 1299-D, Step 3, Column I, list the total credit available for use this year that corresponds to the expiration date in Column A and Credit Code in Column B.

## Column D - Tax Calculation

In this step you are subtracting the income tax credit from the income tax due as follows:

- Subtract the amount on Line 1, Column C from the amount on Line (a) at the top of the worksheet and enter the total on Line 1, Column D.
- Subtract the amount on Line 2, Column C from the amount on Line 1, Column D and enter the total on Line 2, Column D.
- Continue subtracting Column C of each line from Column D of the previous line and entering the amount in Column D until you have subtracted all available credits listed on this schedule (or additional schedules) **or** when the Column D amount becomes zero or a negative number.

**STOP** calculating when Column D becomes zero or negative. Enter N/A in Column D below the line when Column D becomes zero or negative.

## Column E - Credit Applied

- If the amount in Column D is zero or positive, transfer Column C to Column E.
- If the amount in Column D is negative, add the negative amount in Column D to Column C and enter the total in Column E.
- If Column D is N/A, write "0" in Column E.

## Column F - Credit Carryforward

Figure your credit available to carryforward to next year.

- If any of the credits listed on your Schedule 1299-D have an expiration date on or prior to the close of your tax year, enter "0" in Column F. This is the final year that this credit may be used or carried regardless of any unused amount.
- For the rest of the lines, subtract Column E from Column C and enter the result in Column F.

## Line 43

Total Column F. **This is your Schedule 1299-D Credit Carryforward available for 2021. Do not send this worksheet with your return.**

**Keep a copy of Schedule 1299-D and this worksheet for your records and for use next year.**

# Credit Carryforward to Next Year Calculation Worksheet

(a) Enter the income tax listed on your 2020 Form IL-1120, Step 7, Line 47; Form IL-1041, Step 6, Line 44; or Form IL-990-T, Step 5, Line 23 here.

	A Expiration YYYY-MM	B Credit Code	C Credit Available for Use This Year	D Tax Calculation	E Credit Applied This Year	F Credit Carryforward to Next Year
1						
2						
3						
4						
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**Do not attach this form to your return.  
This is for your records only.**