



Schedule INS Instructions

General Information

What is the purpose of Schedule INS?

The purpose of Schedule INS, Tax for Foreign Insurers, is to allow you to possibly reduce your Illinois income and replacement tax liability. Effective for tax years ending on or after December 31, 1999, if you are a foreign insurer whose state or country of domicile imposes a retaliatory tax on insurers domiciled in Illinois, you should complete this schedule to determine if it would reduce your tax liability. The rates are reduced to the point that the total Illinois tax imposed equals the tax the state or country of domicile would impose on the amount of your Illinois net income.

Note Do not complete this schedule if 50 percent or more of your total insurance premiums for the tax year are from reinsurance. This reduction in rates does not apply to you if you primarily are a reinsurer.

The reduction in tax rates cannot reduce the total of your income and replacement taxes, privilege tax, fire insurance taxes, and fire department taxes below 1.75 percent of your premiums subject to privilege tax. The rate reduction is applied against income tax first. Once your income tax is reduced to zero, the rate reduction is applied against replacement tax.

If you are a member of a unitary business group, you must complete Schedule UB/INS, Tax for a Unitary Business Group with Foreign Insurer Members.

Should I round?

You must round the dollar amounts on Schedule INS 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 at 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

If a specific line is not referenced, follow the instructions on the form.

Note You must complete Form IL-1120, Corporation Income and Replacement Tax Return, Steps 1 through 7, before completing this schedule.

Step 1 is used to report the income tax (or other tax based on net income) your state or country of domicile would impose on your Illinois net income.

Step 2 is used to figure your 1.75 percent income tax reduction limit.

Lines 7a, 7b, and 7c — Do not include any amount on Lines 7b or 7c if you already deducted that amount on Line 7a.

Step 3 is used to determine whether your liability can be reduced and, if so, the level to which your liability is reduced.

What must I attach to Schedule INS?

If you do not check the box on Line 4, you must attach a pro forma return from your state or country of domicile, showing the amount of tax you would owe to that state or country on your Illinois net income.