

What's New

For tax years ending on and after June 30, 2021, corporate (Form IL-1120) filers

- may no longer include any amount attributable to dividends eligible for deduction under IRC Section 245(a);
- are allowed a subtraction modification for dividends reported on federal Form 1120, Schedule C, Line 13, except for any amount attributable to gains treated as a dividend under IRC Section 1248; and
- must include in their subtraction modification for global intangible low-taxed income (GILTI) the addition modification required on Schedule M for the amount deducted federally.

See the Line by Line Instructions for more information.

General Information

What is the purpose of Schedule J?

The purpose of Schedule J is to allow you to claim a subtraction on your Form IL-1120 for dividends received from a foreign corporation. A foreign corporation is any corporation not created or organized under the laws of the United States or any state or political subdivision thereof. The term "United States" includes only the 50 states and the District of Columbia.

What if I am a member of a unitary business group?

If you are a member of a unitary business group filing an Illinois combined return, you must complete one Schedule J for the entire group as though you are one taxpayer. U.S. Schedule C must be completed based on the dividends of all members of the unitary group included in the Illinois combined return.

Should I round?

You must round the dollar amounts on Schedule J 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

What must I attach to Schedule J?

If you filed a federal Form

- 1120, 1120F, or 1120-PC, you must attach a copy of your federal Schedule C.
- 1120L, you must attach a copy of your federal Schedule A.
- 1120-FSC, you must attach a copy of your federal Schedule F and worksheet for Line 9.
- 1120-H or 1120-POL, you must attach a copy of Page 1 of that form with details of Line 1.

Line by Line Instructions

Note → If the amounts brought over from your federal form are negative, enter zero on the corresponding line of your Schedule J.

In general, you should follow the instructions on the form, with the following exceptions:

Step 1, Line 1 — Do not include any amount reported on Line 6 of federal Form 1120, Schedule C, that is attributable to dividends eligible for deduction under IRC Section 245(a).

Step 1, Lines 2 and 3 — Do not include any amount reported on Line 7 of federal Form 1120, Schedule C, that is attributable to dividends eligible for deduction under IRC Section 245(a).

Step 1, Lines 4, 5, and 6 — Include dividends reported on Lines 13 of federal Form 1120, Schedule C, **except** for amounts which are attributable to gain that is treated as a dividend under IRC Section 1248.

Step 1, Lines 7, 8, and 9 — Do not include any amount reported on federal Form 1120, Schedule C, Line 14, as ordinary earnings of a qualified electing fund.

Step 1, Lines 10, 11, and 12 — RESERVED

Step 1, Lines 13, 14, and 15 — Include any foreign currency gain or loss reported on your federal Form 1120, Line 10, as distributions from these corporations.

Step 1, Lines 16, 17, and 18 — Determine your subtraction from the amount reported in Column A.

Step 1, Lines 19, 20, and 21 — For the definition of "captive REIT", see IITA Section 1501(a)(1.5).

Step 1, Line 23 — Do not include on this line any amount of IRC Section 78 gross-up which you deducted federally under IRC Section 250(a)(1)(B)(ii).

Step 2, Lines 4, 5, and 6 — Do not include any amount reported on Line 6 or 7 of federal Form 1120, Schedule C, that is attributable to dividends eligible for deduction under IRC Section 245(a).