



2025 Schedule UB Instructions

What's New?

- Effective for tax years ending on or after December 31, 2025, Illinois adopts the “Finnigan” method of apportionment when computing the sales factor numerator and applying the throwback and throw-out rules. In accordance with Public Act 104-0006, the sales of Illinois non-taxable members are allocated to Illinois taxable members. Information for unitary groups with members not taxable in Illinois has been added to these instructions, including an Allocation Worksheet, which is used to calculate the correct apportionment amounts for the Illinois taxable members of the unitary business group.
- Schedule UB has been reformatted for more efficient processing. Changes include:
 - Pre-printed “.00” cent amounts have been removed from all fields. As a result, cents should not be included when completing Schedule UB.
 - Entry lines that were marked with a diamond have now been converted to text boxes.
 - Many fields have been lengthened to accommodate larger numbers.

General Information

Illinois statutes, public acts, and administrative code may be found at the Illinois General Assembly's website at: <https://ilga.gov>.

What is the purpose of this schedule?

The purpose of Illinois Schedule UB, Combined Apportionment for Unitary Business Group, is to enable a unitary business group to determine the amount of its unitary business income that is attributable to Illinois. A unitary business group's business income includes all income that may be apportioned by formula among the states in which the group is doing business without violating the Constitution of the United States. All income is business income unless it is clearly attributable to one state and is earned or received through activities totally unrelated to any business the group is conducting in more than one state. The amount of unitary business income, however, must be computed starting with combined Illinois base income or its equivalent.

What is a unitary business group?

The term “unitary business group” means a group of persons related through common ownership whose business activities are integrated with, dependent upon, and contribute to each other. In the case of a corporation, common ownership is defined as the direct or indirect ownership or control of more than 50 percent of the outstanding voting stock. The statutory definition further provides that a unitary business group cannot include any person whose business activity outside of the United States is 80 percent or more of its total business activity (the “80/20” rule).

80/20 rule — To determine what percentage of your business activity is conducted outside the United States, you must use the same apportionment formula you use to determine how much business income is allocable to Illinois. However, if you use the single sales factor formula to apportion your business income, you must use only your payroll and property factors (computed in the same manner as in effect for tax years ending prior to December 31, 2000) and disregard the sales factor. See Section D of Specific Instructions. For purposes of the 80/20 rule, gross figures without eliminations will be used to determine the relevant apportionment factors of property, payroll, etc.

Vertical and horizontal integration — Unitary business activity can ordinarily be illustrated where the activities of the members are:

- steps in a vertically-structured enterprise or process, such as the steps involved in the production of natural resources, which may include exploration, mining, refining, and marketing (vertical); or
- in the same general line of business such as manufacturing, wholesaling, retailing, insurance, transportation, and finance (horizontal);

and in either instance, the members are functionally integrated through the exercise of strong centralized management. For example, authority over such matters as purchasing, financing, tax compliance, product line, personnel, marketing, and capital investment is not left to each member.

Holding companies — A “holding company” is a corporation that, during the current tax year and the two immediately preceding tax years, derived substantially all of its gross income from dividends, interest, rents, royalties, fees or other charges received from subsidiaries for the provision of services, and gains on the sale or other disposition of interests in subsidiaries or in property leased or licensed to subsidiaries or used by the taxpayer in providing services to subsidiaries. These corporations incur no substantial expenses other than expenses (including interest and other costs of borrowing) incurred in connection with the acquisition and holding of interests in subsidiaries and in the provision of services to subsidiaries or in the leasing or licensing of property to subsidiaries.

If a holding company is a member of two or more unitary business groups, the base income and apportionment factors of the holding company shall be divided among the groups in proportion to the gross receipts of each group or using any other reasonable method, consistently applied from year to year, unless the holding company petitions the Illinois Department of Revenue (IDOR) and receives permission to include all of its base income and apportionment factors with the base income and apportionment factors of only one group.

For taxable years ending prior to December 31, 2017, the prohibition against including persons employing different apportionment formulas in the same unitary business group did not apply to a holding company, allowing holding companies that would otherwise use the single sales

factor formula to be combined with a group of persons using different apportionment formulas and to use the apportionment factor used by that group. For taxable years ending on or after December 31, 2017, the prohibition and the holding company exception no longer apply, and a holding company must use its own apportionment formula in computing its business income, even if the other members of the unitary group use a different apportionment formula. See the Instructions for Step 4 to compute your apportionment formula when your group includes members using different single factor formulas.

Foreign corporations — A foreign corporation that is a member of a unitary business group (filing federal Form 1120-F), shall only include in the combined income of the group the amount of federal taxable income described in Internal Revenue Code (IRC) Sections 881 through 885, rather than its worldwide federal taxable income equivalent. The foreign corporation's "everywhere" factor should include only factors related to its federal taxable income and must exclude factors related to income excluded from federal taxable income. A foreign sales corporation (FSC) that is a member of a unitary business group (filing federal Form 1120-FSC) shall only include in the combined income of the group the amount of federal taxable income described in IRC Sections 921 through 927.

Unitary filers that derive business income solely from Illinois — Unitary business groups composed exclusively of members that derive business income solely from Illinois are required to file as a unitary group. Unitary returns filed by such a group that report a business loss must also include a completed Schedule UB so the combined loss can be prorated in accordance with regulations for purposes of carryover to separate return years. The factor formula information from Step 4 of Illinois Schedule UB is necessary in order to divide the Illinois loss among the unitary group members.

Partnerships and S corporations — Partnerships and S corporations may not be included on a combined return. However, some partnerships and all S corporations that are members of a unitary group must file separate unitary returns using Schedule UB. See the Specific Instructions for completing Form IL-1065, Partnership Replacement Tax Return, and Form IL-1120-ST, Small Business Corporation Replacement Tax Return, in these instructions.

Who is the designated agent and controlling corporation?

The designated agent is a member of the unitary business group that **must** be an Illinois taxpayer and authorized to file the combined return as the agent for the other members. The controlling corporation is the corporation that directly or indirectly owns a controlling interest in all the members of the unitary business group. If the controlling corporation is a member of the group and an Illinois taxpayer, it **must** be the designated agent. If the controlling corporation cannot be the designated agent, the group must select an Illinois taxpayer member to be the designated agent. The designated agent must remain the same every year, unless the designated agent ceases to be a member of the group or the controlling corporation becomes the designated agent. If, as a result of repeal of the prohibition against including members employing different apportionment methods in the same unitary business group, a new group composed of one or more prior groups is formed, and the controlling corporation is not an Illinois taxpayer member of the group, then you may designate any member of the new group as the designated agent of the new group. Designation of the agent is made in Step 1 of Illinois Schedule UB.

The designated agent that files the combined return for a tax year must remain the designated agent for that tax year unless a new designated agent is named for the group for a later tax year (including where a new designated agent is named because a new group is formed as a result of repeal of the prohibition against combining members using different single factor formulas). At that time, you may leave the old designated agent as the member responsible for the earlier tax years, or you may choose to change the designated agent for the earlier years to the group's new designated agent or to any other member of the group. You must notify us in writing of your election and include the name, FEIN, and address of the member whom you want to replace the old designated agent, and the name and telephone number of the contact person. Mail the notification to:

**ILLINOIS DEPARTMENT OF REVENUE
CENTRAL REGISTRATION DIVISION
PO BOX 19030
SPRINGFIELD IL 62794-9030**

Note: The designated agent must be listed as a member of your unitary group in Step 1, Section A, of Illinois Schedule UB. In addition, you must include your designated agent's information when figuring your federal taxable income in Step 2, your combined business income in Step 3, and your apportionment factor in Step 4.

What are the filing requirements?

◆ Illinois combined unitary returns

Corporations (other than S corporations) that are members of the same unitary business group **must** file as one taxpayer (including all eligible members) for purposes of any original return, extension, claim for refund, collection, payment, amended return, and determination of the combined Illinois tax liability. The group is required to file a combined unitary return (one Form IL-1120, Corporation Income and Replacement Tax Return).

For more information regarding combined return filers, see 86 Ill. Adm. Code Sections 100.5200 through 100.5280.

◆ Illinois separate unitary returns

Illinois taxpayers that are S corporations and non-corporate members of a unitary business group do not file as part of the combined return. However, some partnerships and all S corporations that are members of a unitary group are required to file Illinois separate unitary returns, as well as make separate:

- tentative tax payments;
- claims for refunds; and
- amended returns.

The unitary business group (including S corporation and non-corporate members) must complete only one Illinois Schedule UB and include a copy with each return filed.

◆ Partnership requirements

If the following applies, do not include a partnership in your Schedule UB: If a partnership is engaged in a unitary business with one or more of its partners but the unitary partners do not own substantially all of the interest in the partnership, the partnership should not be included on a Schedule UB with the partners. Substantial ownership is defined as owning more than 90 percent of all the interest in the partnership. In this situation, each unitary partner must determine the portion of its business income taxed by Illinois by adding its share of that partnership's business income and apportionment factors (Illinois and everywhere) to its own business income and apportionment factors (Illinois and everywhere). This rule applies to you if you are unitary with one or more of your partners or if you are a partner in another partnership and are engaged in a unitary business with that partnership. See 86 Ill. Adm. Code Section 100.3380(d) for more information. If the unitary partner and the partnership apportion their business income using different single factor apportionment formulas, then you may need to apply the subgroup method in order to determine the partner's share of the apportionment factors of the partnership to add to its own apportionment factors, as well as to determine the apportionment factor of any of the other members of your group that use the same apportionment formula as the partnership. See the Instructions for Step 4, Lines 2 through 4, for more information regarding the subgroup method. If the partnership and its unitary partner are required to apportion business income using a different apportionment formula and:

- the partnership apportions business income using the single sales factor formula under Illinois Income Tax Act (IITA) Section 304(a), add the distributive share of the partnership's Illinois and everywhere sales to the unitary partner's Illinois and everywhere sales as determined by the unitary partner using the subgroup method.
- the partnership is a financial organization, federally regulated exchange that elects to apportion business income under IITA Section 304(c-1), or a transportation company, then:
 1. the unitary partner must include in its Illinois sales its distributive share of the partnership's Illinois sales, determined by applying the subgroup method to the partnership as if the partnership were included on the Schedule UB, but using only the partner's distributive share of the partnership's apportionment factors. Follow the instructions for applying the subgroup method in Step 4, Line 3, using only the partner's distributive share of the partnership's apportionment factors to determine the partnership's Illinois sales, and then add the result to the unitary partner's Illinois sales as otherwise determined on Step 4, Line 3, and enter the total on the unitary partner's Step 4, Line 3;
 2. the unitary partner must include in its everywhere sales its distributive share of the partnership's everywhere sales. Add the unitary partner's distributive share of the partnership's everywhere sales to the unitary partner's everywhere sales as otherwise determined on Step 4, Line 2, and enter the total on Step 4, Line 2; and
 3. any other member of your group that apportions business income using the same apportionment formula as the partnership must determine its Illinois sales by applying the subgroup method including the partnership as a member of the subgroup included on the Schedule UB, but using only the unitary partner's distributive share of the partnership's apportionment factors in applying the subgroup method. Follow the instructions for Step 4, Line 3, using only the unitary partner's distributive share of the partnership's apportionment factors in order to compute the Illinois sales of the member that apportions business income using the same apportionment formula as the partnership.

If the following applies, you must include a partnership in your Schedule UB: If you are a partnership who is a shareholder in a corporation and you are engaged in a unitary business with that corporation, or if you are owned more than 90 percent by members of your unitary business group (determined without regard to the rule prohibiting taxpayers conducting 80% or more of their business activities outside the United States from being included in a unitary business group), and you:

- use the same taxable year as a combined group that includes your partners or your subsidiary, you should use the Schedule UB prepared by the combined group in completing your Form IL-1065; or
- use a different taxable year from the combined group that includes your partners or your subsidiary (or there is no combined group) you must complete your own Schedule UB using your own taxable year.

What if there are different accounting periods?

If the unitary business group members' accounting periods differ, the designated agent's accounting period must be used to determine the unitary group's business income.

Corporate members (other than S corporations) of the unitary business group must file combined, even if their accounting periods differ. In determining the proper income to be included in the appropriate accounting period, a member may compute its pro forma taxable income from its books and records for the common taxable year. As an alternative, a member may determine its income based on the number of months of its tax year that are within the common accounting period. For example, if one member uses a calendar year and the common accounting period ends October 31, 2025, the member should include two-twelfths of its income from the year ended December 31, 2024, and ten-twelfths of its income from the year ended December 31, 2025. This method may be used only if the group's return may be timely filed after the member's taxable year ends. As another alternative, the group may include in its taxable income all of the taxable income of a member whose tax year ends within the group's tax year. Once one of these methods is used for a member, that member must continue to use that method unless the requirements of 86 Ill. Adm. Code Section 100.5265(c) are met.

What if there are part-year members?

All part-year members are required to file as part of the unitary business group for the portion of the year the taxpayer is a member. For the remainder of the year, the member is required to file a separate non-unitary return. However, if the member belongs to another unitary business group during the remainder of the year, that member is required to file as part of that group, following the same instructions as above. For more information, see 86 Ill. Adm. Code Section 100.5270(f).

What if a domestic international sales corporation (DISC) or a foreign sales corporation (FSC) is a member of this unitary group?

A corporation that has elected to be, or is treated as a DISC for the taxable year under IRC Section 992, is not subject to the taxes imposed by IRC Subtitle A (except for the tax imposed on transfers to avoid income tax under Section 1491). Similarly, a DISC is not subject to the taxes imposed by the IITA and is not required to file an Illinois income tax return.

Consequently, even though a DISC may be a member of a unitary business group, only the actual and deemed distributions taxable to the DISC's shareholders for federal income tax purposes should be accounted for in determining Illinois income tax liability. Neither the portion of DISC income on which federal income tax is deferred for the tax year, nor the sales factor of the DISC should be accounted for in the computation of Illinois income tax liability of the unitary business group under the combined method of apportionment.

Corporate shareholders of a DISC should include in business income their actual and deemed distributions from the DISC, to the extent the distributions are federally taxed. To the extent that the DISC's activities are an integral part of the unitary business, the actual and deemed distributions should be included in the combined unitary business income. If a DISC meets the criteria for inclusion in the unitary business group, it must be listed under Step 1, Section A, of Illinois Schedule UB. However, computations for the DISC should not be required for Steps 2, 3, and 4 of Illinois Schedule UB. In conformity with the applicable provisions of the IRC, the other members of the unitary business group that are shareholders of the DISC should include such amounts in their respective federal taxable incomes (or equivalents) as are required to be included for federal income tax purposes.

Distributions from DISCs are treated in accordance with the federal rules pertaining to dividends, dividend exclusions, and dividend-received deductions for Illinois purposes.

An FSC is taxed by Illinois to the extent its nonexempt foreign trade income, investment income, and carrying charges (taxable for federal purposes) are allocable to Illinois.

Can a reasonable facsimile of Schedule UB be used?

You must obtain and use forms prescribed by IDOR. Separate statements not on forms provided or approved by IDOR 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 refund.** Additionally, failure to submit appropriate documentation when requested may result in a referral to our Audit Bureau for compliance action.

Should I round?

You must round the dollar amounts on Schedule UB 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.

Note: The pre-printed ".00" cent amounts have been removed from all fields on Schedule UB. Do not include cents when completing Schedule UB.

What if I need additional assistance or forms?

- For assistance, forms, or schedules, visit our website at tax.illinois.gov or scan the QR code provided.
- Write us at:
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19001
SPRINGFIELD IL 62794-9001
- Call **1 800 732-8866** or **217 782-3336** (TTY 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

Use this Schedule UB to file unitary for tax years ending **on or after December 31, 2025**. Use Illinois Schedule UB with an earlier revision date to file unitary for tax years **ending prior to December 31, 2025**.

Note: If the unitary business group consists of more members than space provided, complete and attach additional copies of Illinois Schedule UB.

Illinois Schedule UB must be attached to:

- Form IL-1120 or Form IL-1120-X;
- Form IL-1120-ST or Form IL-1120-ST-X (for all members who are S corporations); or
- Form IL-1065 or Form IL-1065-X (for partnerships required to file a unitary return).

Step 1 — Provide your membership information

Enter the name and FEIN of the designated agent. The designated agent must file the Illinois Schedule UB in this tax year and each succeeding year.

Enter the name and FEIN of the designated agent that filed Illinois Schedule UB last year, if different from this year.

Enter the name and FEIN of the controlling corporation if it is not the designated agent.

You must indicate whether the controlling corporation is a member of this unitary business group.

Note: If your unitary business group consists solely of members who are not C corporations, enter the name and FEIN of the member who on a recurring basis has the greatest Illinois tax liability. This member must file Illinois Schedule UB in this tax year and each succeeding year. All returns filed by other members of the group must use that Illinois Schedule UB to complete their separate unitary returns. If the group includes members who use different tax years, a Schedule UB must be completed for each different tax year.

Section A — List all members

You may **not** substitute the Affiliations Schedule (federal Form 851) from a federal consolidated return for Section A.

Columns A, B, and C — List all members of the unitary business group, including name, FEIN, and tax year ending. To avoid processing delays, list members in the same order throughout all steps of Schedule UB.

You must provide the entire FEIN for each member, do not provide a partial FEIN as it will result in a processing delay.

Note: The designated agent must be listed as a member of your unitary group in Section A and included in all applicable steps thereafter.

Column D — Check the box in this column **only** if the member listed in Column A has sales in Illinois.

Note: For tax years ending on or after December 31, 2025, sales of each member of the unitary business group who is protected by P.L. 86-272 and not subject to Illinois income tax are determined based upon the apportionment rules applicable to that member and shall be aggregated. See Step 4 for more information.

For each member protected by Public Law 86-272 prepare a separate statement listing

- the member's state of incorporation;
- the state of commercial domicile;
- total number of its employees during the year;
- the number of employees who were in Illinois on business during the year; and
- the cost price of real and tangible personal property, including rental property at eight times the annual rent, everywhere and in Illinois.

Keep the statement for each applicable member with your income tax records. Do not attach the statement to your Illinois income tax return or submit it to IDOR unless we specifically request it.

Columns E and F — Check the box in these columns if they apply to the member listed in Column A for this tax year.

Column G — If the member is designated as a holding company, place a check in this column.

Column H — You must indicate the type of apportionment method used by each member. Use the following letters to indicate each member's apportionment method.

If your member's method is:	In Column H, enter:
Single Sales	"S"
Financial Organization	"F"
Transportation Company	"T"
Insurance Company	"I"
Federally Regulated Exchange	"E"
Alternative Method, previously approved by IDOR	"A"

Column I — If a member is

- an S corporation, place an "S" on that member's line in Column I.
- a partnership, place a "P" on that member's line in Column I.

Section B — List any mergers with members listed in Section A

Column A — Enter the name and FEIN of the entity that merged with or liquidated into any member of this unitary group in this tax year. Include entities that were members of this unitary group before the merger or liquidation and entities that were acquired by the unitary group in a transaction in which they were merged or liquidated.

Column B — Enter the name and FEIN of the member listed in Section A that the entity in Column A merged with or liquidated and the date of merger or liquidation.

Section C — List all members who left the group during this tax year

Column A — Enter the name and FEIN of any member who was a member of this unitary group last year and left the group during this tax year.

Column B — Provide the name and FEIN of the entity to whom the member in Column A was sold and the date of sale, if applicable.

Section D — Provide information about your excluded members

A unitary business group may not include any person whose business activity outside of the United States is 80 percent or more of its total business activity (the 80/20 rule). To determine whether a potential member is excluded by the 80/20 rule, you must use the factors normally required to apportion business income (under IITA Section 304), with three exceptions. First, the numerator of each factor will include business activity in the U.S., rather than in Illinois alone. For this purpose, United States includes the 50 states, District of Columbia, and any area over which the U.S. has jurisdiction or exclusive rights for the exploration of national resources (i.e. Outer Continental Shelf), but does not include any territory or possession of the United States. Second, if you use the single-sales factor formula in IITA Section 304(a) to apportion your business income, you cannot use the sales factor in applying the 80/20 rule. Instead, you must use only your payroll and property factors, computed in the same manner as these factors were computed for tax years ending prior to December 31, 2000. For example, if 85 percent of your property and 95 percent of your payroll is outside the United States, then 90 percent of your business activity is conducted outside the United States (85 percent plus 95 percent, divided by 2), and you cannot be included in a unitary business group even if 100 percent of your sales are made in the United States. Third, to determine the relevant apportionment factors, you should use gross

figures without eliminations for transactions with other members of your group. Foreign corporations filing federal Form 1120-F will generally not be excluded from the group under the 80/20 test because only their domestic property, payroll, or other apportionment factors will be used in the “everywhere” denominators, rather than worldwide “everywhere” figures. See 86 Ill. Adm. Code Section 100.3380(e) for more information.

Line 1 — Enter the total number of members excluded from the unitary group (not listed in Sections A through C) who are controlled directly or indirectly (through the ownership of more than 50 percent of their voting stock) by a member of the unitary business group but

- conducts more than 80 percent of its business activity outside the United States, or
- is not unitary.

If you have excluded members on Line 1, you **must** complete Step 5 by providing your affiliated company information.

Step 2 — Figure your federal taxable income

Head of Columns A, B, and C — Enter the entire FEIN for each member of the unitary group. A partial FEIN will result in a delay in the processing of your return.

Columns A, B, and C — Complete Lines 1 through 30 for each member of the unitary business group listed in Step 1, Section A. Generally, these line amounts correspond to the line amounts from federal Form 1120. Use additional schedules, if necessary.

Computing federal taxable income (or net operating loss) — All members of the unitary business group must include their federal taxable income or loss in Step 2.

Federal taxable income or loss in Step 2 means “separate taxable income” that would be computed by each member for purposes of a federal consolidated return and its supporting statements in accordance with Internal Revenue Service (IRS) Regulations, Section 1.1502-12. For Illinois income tax purposes, the federal taxable income or loss of each member of the unitary business group is entered on Line 30.

For S corporations, federal taxable income on Line 30 should equal the amount on Form IL-1120-ST, Step 3, Line 13.

For partnerships required to file a unitary return, federal taxable income on Line 30 should equal the amount on Form IL-1065, Step 3, Line 13.

Column D — Eliminations between group members and federal consolidated adjustments — Enter any consolidating adjustments made in combining the amounts in Columns A, B, and C. **Attach** an explanation of any adjustments made. Also, if a partnership is included in this Schedule UB, eliminate the shares of each partnership item that are included in the income of partners who are included in this Schedule UB.

Column E — Combined totals — Enter the net total of Columns A, B, C, and D for each line. Combined taxable income (or combined Net Operating Loss [NOL]) should be determined by treating all members of the unitary business group as if they constitute a federal consolidated group and by applying the federal regulations for determining consolidated taxable income (see IRS Regulations, Section 1.1502-11) and consolidated NOL (see IRS Regulations, Section 1.1502-21(e)), but without applying the federal “separate return limitation year” or life-nonlife insurance company limitations.

Federal elections — In computing federal taxable income, each member is required to follow all elections it made (or that were made on its behalf) for federal income tax purposes.

Step 3 — Figure your combined business income

Generally, these items correspond to lines on Form IL-1120, Steps 2 and 3. Line reference charts are provided for Form IL-1120-ST and Form IL-1065 filers in the specific instructions for those filers at the end of these instructions. For specific line information, see the instructions for the return you are filing. Schedules used to compute any amounts shown **must** be attached to your return.

Head of Columns A, B, and C — Enter the entire FEIN of each unitary group member included in Step 2. A partial FEIN will result in a delay in the processing of your return.

Columns A, B, and C — For each line item, enter the dollar amounts requested for each member of the unitary business group.

Column D — See specific instructions for Step 2, Column D, Eliminations between group members and federal consolidated adjustments.

For Illinois purposes, all addition and subtraction modifications must be entered as positive figures. Therefore, the amount of eliminations should also be entered as positive figures.

Column E — Enter the net total of Columns A, B, C, and D for each line.

Line 1 — Enter the federal taxable income or loss for Illinois purposes from Step 2, Column E, Line 30.

Special instructions for Lines 24 and 25

Line 24 — Enter the amount of all nonbusiness income or loss from Illinois Schedule NB, Nonbusiness Income, Column A. Attach Illinois Schedule NB to your return.

For **tax years beginning on or after January 1, 2003**, the designated agent may make an election to treat all of the unitary group’s income, other than compensation, as business income. For more information on making this election, see the instructions for the return you are filing. If the election is made, enter “0” on Line 24.

Line 25 — Enter the amount of all business income or loss (net of any eliminations or adjustments in Column D of Steps 2 or 3) received from any non-unitary partnership, any partnership included on this Schedule UB, any S corporation, and any trust or estate of which the corporation is a partner or beneficiary.

Note: If the activities of the corporation and the activities of a partnership of which the corporation is a partner constitute a unitary business relationship but the partnership is not included on this Schedule UB, the corporation’s shares of the partnership’s business income or loss and factors must be included in the business income and factors of the corporation. See Partnership requirements, previously, for more information. Any such income cannot be subtracted on Line 25. For more information, see 86 Ill. Adm. Code Section 100.3380(d).

Step 4 — Figure your apportionment factor

All unitary filers must complete Step 4 of Schedule UB.

For tax years ending on or after December 31, 2025, Illinois requires the use of the “Finnigan” method of apportionment for unitary businesses. Under the “Finnigan” method, when calculating the apportionment numerator, a unitary group shall include all Illinois sales from any member of the unitary group as long as one or more members has nexus with Illinois. See the Allocation Worksheet for additional information. In addition, the numerator should also include any sales of tangible personal property from Illinois to a destination in which none of the unitary members have nexus or are taxable (known as throwback sales). The apportionment factor should completely exclude sales for services in a state received or deemed received in which none of the unitary members have nexus or are taxable (known as throw-out sales).

Heads of Columns A, B, and C — Enter the FEIN for each member included in Step 2.

Line 1 — Enter the combined unitary business income or loss from Step 3, Column E, Line 27.

For each separate Line, 2 through 8, add the amounts in Columns A, B, and C, and enter the combined totals for each line in Column D. If your unitary business group includes one or more members who use different formulas to apportion business income, then you must use the subgroup method to determine the amounts to enter on Lines 2, 3, and 4. In addition, if your group includes a unitary partnership that is not required to be included on this Schedule UB and that uses an apportionment formula that is different from its unitary partner, then that unitary partner, as well as any other members of your group that use the same apportionment formula as the unitary partnership, may need to use the subgroup method in order to determine their shares of the partnership's apportionment factors to be included on the unitary partner's Lines 2, 3, and 4, or the member's own apportionment factor on Lines 2, 3, and 4. See Partnership requirements, previously, for more information. Only groups that include members who use different apportionment formulas are required to apply the subgroup method. Under the subgroup method, you must arrange the members of your unitary business group into subgroups. A subgroup consists of one or more members of your group who use the same single factor formula to apportion business income. One or more of the following subgroups may be included in your unitary business group:

- **Sales Factor Subgroup** — A sales factor subgroup consists of one or more members that apportion business income using the single sales factor formula under IITA Section 304(a).
- **Insurance Company Subgroup** — An insurance company subgroup consists of one or more members that are insurance companies required to apportion business income using the direct premiums formula under IITA Section 304(b).
- **Financial Organization Subgroup** — A financial organization subgroup consists of one or more members that are financial organizations required to apportion business income using the formula under IITA Section 304(c).
- **Regulated Exchange Subgroup** — A regulated exchange subgroup consists of one or more members that are a federally regulated exchange and elect to apportion business income using the formula under IITA Section 304(c-1).
- **Transportation Company Subgroup** — A transportation company subgroup consists of one or more members that are transportation companies required to apportion business income using the transportation services formula under IITA Section 304(d).

Note: You must complete a separate Subgroup Schedule for each Insurance Company Subgroup, Financial Organization Subgroup, Regulated Exchange Subgroup, and Transportation Company Subgroup, in order to determine the amounts to enter on Lines 2 and 3 for each member of that subgroup. Do not complete a separate Subgroup Schedule for Sales Subgroups. Also, do not complete a separate Form IL-1120 for each subgroup when applying the subgroup method. List all members from each subgroup on Schedule UB, Steps 1, 2, 3 and 4. Failure to follow these instructions may cause processing delays or result in additional correspondence from the department.

For more information, see 86 Ill. Adm. Code Section 100.3600. If you must apply the subgroup method, complete a Subgroup Schedule and follow the specific subgroup method instructions below to determine the amount to enter on Lines 2 and 3.

Line 2 — Enter each member's “everywhere” net sales. Exclude any receipts eliminated in Column D of Step 2 or Step 3.

Subgroup method — If you must apply the subgroup method, then

- For each member of your group that is part of a **sales factor subgroup**, enter the total everywhere sales of such member as if you were not applying the subgroup method.
- For each member of your unitary business group that is not part of a sales factor subgroup, enter the amount from Line 1 of the Subgroup Schedule on the respective column for each member, plus the member's distributive share of the everywhere sales of any unitary partnership included on a Subgroup Schedule.

Note: Line 2, Columns A through D, cannot be less than zero.

Line 3 — Enter each member's Illinois net sales. Exclude any receipts eliminated in Column D of Step 2 or Step 3.

Each Illinois taxable member (a member taxable in Illinois) of the unitary business group shall include in its Illinois net sales a portion of the aggregate Illinois sales of Illinois non-taxable members based on a ratio, the numerator of which is that taxable member's Illinois sales taking into account its applicable sales factor provisions, and the denominator of which is the aggregate Illinois sales of all the Illinois taxable members of the group taking into account their respective sales factor provisions. If the unitary group includes Illinois non-taxable members with sales inside Illinois, complete the Allocation Worksheet to determine the amount to enter on Line 3 for each Illinois taxable member. See the examples at the end of these instructions for more information.

Note: Attach a statement that identifies the Illinois non-taxable members of your unitary group.

Subgroup method — If you must apply the subgroup method, then:

- For each member of your group that is part of a **sales factor subgroup**, enter the total Illinois sales of such member as if you were not applying the subgroup method.

- For each member of your unitary business group that is not part of a sales factor subgroup, enter the amount from Line 5 of the Subgroup Schedule on the respective column for each member, plus the member's distributive share of the Illinois sales of any unitary partnership included on a Subgroup Schedule.

For unitary groups with Illinois non-taxable members - If your unitary group includes Illinois non-taxable members with sales inside Illinois, those sales inside Illinois are to be allocated and included in Line 3 for each Illinois taxable member. Complete the Allocation Worksheet to determine the amounts to enter on Line 3. For Illinois non-taxable members of the unitary group, enter "0" on Line 3. If the subgroup method must be used, Illinois non-taxable members not part of the sales factor subgroup must be included on the appropriate Subgroup Schedule and their Illinois sales computed as if they were an Illinois taxable member. The amount on Line 5 of the Subgroup Schedule will be used in the calculations on the Allocation Worksheet. See the Allocation Worksheet for additional information.

Note: Line 3, Columns A through D, cannot be less than zero.

Line 4 — For each column, divide the amount on Line 3 by the amount in Column D, Line 2.

Note: Round the amounts on Line 4 to the sixth decimal place.

Line 5 — For each column, multiply the amount on Line 4 by the amount in Column D, Line 1.

Line 6 — Enter the amount of the member's nonbusiness income or loss that is allocable to Illinois from Illinois Schedule NB, Column B. If an item of nonbusiness income or deduction allocable to Illinois by the member is eliminated in Column D of Step 2 or Step 3, exclude that item in figuring the amount on Line 6 allocable to Illinois by that member.

Line 7 — Enter the member's share of the amount of business income or loss apportioned to Illinois by a non-unitary partnership, a unitary partnership that is included in this Schedule UB, an S corporation, a trust, or an estate.

Line 8 — Enter the total of Lines 5, 6, and 7. For any member of the unitary business group that is not a C corporation, include this amount in Step 4, Column D, Line 9 of this Schedule UB.

Line 9 — Enter the total net income or loss from Line 8 of any member of the unitary business group that is not a C corporation.

Line 10 — Subtract Line 9 from Line 8. Enter the amount from Column D on Form IL-1120, Line 34.

Form IL-1120-ST and Form IL-1065 filers - Do not enter the amount from Column D on Form IL-1120-ST or Form IL-1065. See the specific instructions for those return types for more information.

Note: Complete Lines 11 through 13 **only** if Column D, Line 10 is negative. **Do not** include any amounts from members who are not C corporations.

Line 11 — Columns A through C — In each column, enter the amount from Line 8 for each member that is a C corporation. If the member is not a C corporation **or** the amount on Line 8 is **positive**, enter "0."

If the net income on Line 8 of every member of this unitary business group that is a C corporation is negative, you may skip Lines 11 and 12 and enter the amount from Line 8 on Line 13.

Column D — Enter the total of Columns A through C.

Line 12 — Columns A through C — For each column, divide the amount on Line 11 by the total amount on Line 11, Column D.

Column D — Enter the total of Columns A through C. This amount must equal 100 percent.

Line 13 — Columns A through C —

If the net income on Line 8 of every member of this unitary business group that is a C corporation is negative, enter the amount from Line 8 of each C corporation member here.

Otherwise, multiply Line 12 of each column by Line 10, Column D.

Column D — Enter the total of Columns A through C. This amount must equal the amount on Line 10, Column D.

Step 5 — Provide your affiliated company information

If you have any excluded members in Step 1, Section D, Line 1, you must complete this section. For each excluded member, you must provide the following information.

Column A — the name of the excluded company,

Column B — the FEIN of the excluded company, and

Column C — the reason that the member is excluded.

For an explanation of 80/20 companies, non-combination rule, and non-unitary members, see the instructions for Step 1, Section D.

Specific instructions for completing Form IL-1120

The amounts to be transferred to Form IL-1120 should be taken from Illinois Schedule UB, Step 3, Column E, and Step 4, Column D. For specific line information, see Form IL-1120 Instructions.

You must complete **Step 1 of Form IL-1120** in its entirety.

Note: You must complete **both** Step 4 of the Schedule UB **and** Step 4 of the Form IL-1120.

Step 2 of Form IL-1120

Lines 1 through 9 — Enter the combined amounts from Step 3, Column E, Lines 1 through 9.

Step 3 of Form IL-1120

Lines 10 through 23 — Enter combined amounts from Step 3, Column E, Lines 10 through 23.

Step 4 of Form IL-1120

Line 24 — Enter the combined amount from Step 3, Column E, Line 24.

Line 25 — Enter the combined amount from Step 3, Column E, Line 25.

Line 28 — Enter the combined “net sales everywhere” amount from Step 4, Column D, Line 2.

Line 29 — Enter the combined “net sales inside Illinois” amount from Step 4, Column D, Line 3.

Line 30 — Enter the combined “apportionment factor” amount from Step 4, Column D, Line 4.

Lines 31, 32, and 33 — Enter the combined amounts from Step 4, Column D, Lines 5, 6, and 7.

Step 5 of Form IL-1120

Step 5, Line 38 — See the instructions in Form IL-1120, Appendix E for limitations in the amount of loss that may be applied to each member of the unitary group.

Step 6, Step 7, and Step 8 of Form IL-1120

Step 6, Lines 41 and 43, and Step 7, Lines 46 and 48 — The designated agent should compute any credit allowed or recaptured based on the combined activities of the eligible members and apply it against the combined liability of the eligible members. For more information, see 86 Ill. Adm. Code Section 100.5270.

You **must** make payments on a combined basis under the designated agent’s FEIN.

If you have any foreign insurer members and you completed Illinois Schedule UB/INS, Tax for a Unitary Business Group with Foreign Insurer Members, follow the instructions for Schedule UB/INS and Form IL-1120 to report your tax reduction.

Specific instructions for completing Form IL-1120-ST

If an S corporation is

- unitary with a combined group and uses the same taxable year as the combined group, it should use the Schedule UB prepared by the combined group in completing its Form IL-1120-ST;
- unitary with a combined group, but it uses a different taxable year, it must complete a Schedule UB using its own taxable year; or
- not unitary with a group filing a combined return, it must complete its own Schedule UB using its own taxable year.

Steps 2 and 3 of each separately filed Form IL-1120-ST must be completed showing only the S corporation’s separate-company items. The amounts on each member’s Form IL-1120-ST, Lines 14 through 21 (less Line 20) and Lines 23 through 33 (less Line 24), shall be the combined totals shown in Schedule UB, Step 3, Column E.

Note: The modifications for Form IL-1120-ST, Lines 20 and 24 are not included as modifications on the Schedule UB. The amount on Form IL-1120-ST, Lines 20 or 24 must be computed on the Illinois Schedule B, Line E Worksheet, found in the Form IL-1120-ST Instructions. Carry the combined total amounts from Schedule UB, Step 3, Column E for each line item of the Line E Worksheet.

Use the Line 20 and Line 24 amounts to compute the S corporation’s base income on Form IL-1120-ST, Step 5, Line 35. Check the box on Form IL-1120-ST, Step 5, Line 35 B and complete Form IL-1120-ST, Step 6 by subtracting

- on Line 36, the combined nonbusiness income of the entire unitary business group, minus the portion allocable to shareholders subject to replacement tax, and
- on Line 37, the amount received by the entire unitary business group from non-unitary partnerships, partnerships included on this Schedule UB, S corporations, trusts, and estates, minus the portion allocable to shareholders subject to replacement tax.

On Form IL-1120-ST, Step 6, Line 40, include the everywhere sales amount from Schedule UB, Step 4, Column D, Line 2. On Line 41 of Step 6 of Form IL-1120-ST, include only the S corporation’s Illinois sales. On Form IL-1120-ST, Step 6, Lines 44 and 45, include only the nonbusiness income of the S corporation, and the business income or loss apportionable to Illinois received by the S corporation from trusts, estates, non-unitary partnerships, partnerships included on this Schedule UB, and S corporations minus the portion of those amounts allocable to shareholders subject to replacement tax.

Note: You must complete **both** Step 4 of the Schedule UB **and** Step 6 of the Form IL-1120-ST. Schedules used to compute any amounts shown **must** be attached to Form IL-1120-ST.

Unitary members that are S corporations can use the line reference chart for Form IL-1120-ST on the next page to help complete their Form IL-1120-ST.

If you need more information, visit our website at tax.illinois.gov to view the Illinois Income Tax Regulations referenced in these instructions.

Line Reference Chart for Form IL-1120-ST

Schedule UB	Form IL-1120-ST	Schedule UB	Form IL-1120-ST
Step 2, Line 30, Column E	Step 4, Line 14	Step 3, Line 25, Column E (less any amounts allocable to shareholders subject to replacement tax)	Step 6, Line 37
Step 3, Line 2, Column E	Include in Step 4, Line 21		
Step 3, Line 3, Column E	Step 4, Line 15		
Step 3, Line 4, Column E	Step 4, Line 16	Step 3, Line 26, Column E (less any amounts allocable to shareholders subject to replacement tax)	Step 6, Line 38
Step 3, Line 5, Column E	Step 4, Line 17		
Step 3, Line 6, Column E	Step 4, Line 18		
Step 3, Line 7, Column E	Step 4, Line 19		
Step 3, Line 8, Column E	Include in Step 4, Line 21	Step 3, Line 27, Column E (less any amounts allocable to shareholders subject to replacement tax)	Step 6, Line 39
Step 3, Line 10, Column E	Step 5, Line 23		
Step 3, Line 11, Column E	Step 5, Line 25	Step 4, Line 2, Column D	Step 6, Line 40
Step 3, Line 12, Column E	Step 5, Line 26	Step 4, Line 3 (for each S corporation's Illinois' sales)	Step 6, Line 41
Step 3, Line 13, Column E	Step 5, Line 27	Step 4, Line 4 (for each S corporation's apportionment factor)	Step 6, Line 42
Step 3, Line 14, Column E	Step 5, Line 28		
Step 3, Line 15, Column E	Step 5, Line 29	Step 4, Line 6 (for each S corporation's nonbusiness income or loss)	Step 6, Line 44
Step 3, Line 16, Column E	Include in Step 5, Line 33*		
Step 3, Line 17, Column E	Include in Step 5, Line 33*	Step 4, Line 7 (for each S corporation's income from non-unitary partnerships, partnerships included on this Schedule UB, S corporations, trusts, and estates)	Step 6, Line 45
Step 3, Line 18, Column E	Step 5, Line 30		
Step 3, Line 19, Column E	Step 5, Line 31		
Step 3, Line 20, Column E	Step 5, Line 32		
Step 3, Line 21, Column E	Include in Step 5, Line 33*		
Step 3, Line 24, Column E (less any amounts allocable to shareholders subject to replacement tax)	Step 6, Line 36		
		* Enter the portion on Form IL-1120-ST, Line 33 (from line items on the Illinois Schedule M (for businesses)) that corresponds with the line item indicated on Schedule UB.	

Specific instructions for completing Form IL-1065

If a partnership is required to file a unitary return, and is

- unitary with a group filing a combined return using the same taxable year as the combined group, it should use the Schedule UB prepared by the combined group in completing its Form IL-1065;
- unitary with a group filing a combined return, but it uses a different taxable year, it must complete a Schedule UB using its own taxable year and following the instructions on "What if there are different accounting periods?" in the General Information above; or
- not unitary with a group filing a combined return, the group must complete its own Schedule UB for each member or set of members using a specific tax year.

Steps 2 and 3 of each separately filed Form IL-1065 must be completed showing only the partnership's separate company items. The amounts on each member's Form IL-1065, Lines 14 through 22 (less Lines 20 and 21) and Lines 24 through 33 (less Lines 25 through 27), shall be the combined totals shown in Schedule UB, Step 3, Column E. Items from these partnerships that are involved in the taxable incomes or modifications of other taxpayers included in this Schedule UB should be eliminated in Column D.

Notes concerning specific Form IL-1065 income modifications:

- The addition modification for guaranteed payments on Form IL-1065, Line 20, should be zero. This addition modification for all partnerships included on the Schedule UB is included in the "other additions" on Schedule UB, Step 3, Column E, Line 8, and so included in Line 22 of the Form IL-1065.
- The subtraction modifications for August 1, 1969, valuation limitation amounts on Form IL-1065, Line 25, and personal service income or reasonable allowance for compensation of partners on Form IL-1065, Line 26, should be zero. These subtraction modifications for all partnerships included on the Schedule UB are included in the "other subtractions" on Schedule UB, Step 3, Column E, Line 21, and so included in Line 33 of the Form IL-1065.
- The modifications for Form IL-1065 Lines 21 and 27 are not included as modifications on the Schedule UB. The amount on Form IL-1065, Lines 21 or 27 must be computed on the Illinois Schedule B, Line E Worksheet, found in the Form IL-1065 Instructions. Carry the combined total amounts from Schedule UB, Step 3, Column E, for each line item of the Line E Worksheet.

Use the Line 21 and Line 27 amounts to compute the partnership's base income on Form IL-1065, Step 5, Line 35. Check the box on Form IL-1065, Step 5, Line 35 B and complete Form IL-1065, Step 6 by subtracting

- on Line 36, the combined nonbusiness income of the entire unitary business group, minus the portion allocable to partners subject to replacement tax, and
- on Line 37, the amount received by the entire unitary business group from non-unitary partnerships, partnerships included on this Schedule UB, S corporations, trusts, and estates, minus the portion allocable to partners subject to replacement tax.

On Form IL-1065, Step 6, Line 40, include the everywhere sales amount from Schedule UB, Step 4, Column D, Line 2. On Line 41 of Step 6 of Form IL-1065, include only the partnership's Illinois sales. On Form IL-1065, Step 6, Lines 44 and 45, include only the nonbusiness income of the partnership, and the business income or loss apportionable to Illinois received by the partnership from trusts, estates, non-unitary partnerships, partnerships included on this Schedule UB, and S corporations minus the portion of those amounts allocable to partners subject to replacement tax.

Note: If you are required to file Schedule UB, you must complete **both** Step 4 of the Schedule UB **and** Step 6 of the Form IL-1065. Schedules used to compute any amounts shown **must** be attached to Form IL-1065.

Unitary members that are partnerships can use the line reference chart for Form IL-1065 below to help complete their Form IL-1065.

If you need more information, visit our website at tax.illinois.gov to view the Illinois Income Tax Regulations referenced in these instructions.

Line Reference Chart for Form IL-1065

Schedule UB	Form IL-1065	Schedule UB	Form IL-1065
Step 2, Line 30, Column E	Step 4, Line 14	Step 3, Line 21, Column E	Step 5, Line 33
Step 3, Line 2, Column E	Include in Step 4, Line 22	Step 3, Line 24, Column E (less any amounts allocable to partners subject to replacement tax)	Step 6, Line 36
Step 3, Line 3, Column E	Step 4, Line 15	Step 3, Line 25, Column E (less any amounts allocable to partners subject to replacement tax)	Step 6, Line 37
Step 3, Line 4, Column E	Step 4, Line 16	Step 3, Line 26, Column E (less any amounts allocable to partners subject to replacement tax)	Step 6, Line 38
Step 3, Line 5, Column E	Step 4, Line 17	Step 3, Line 27, Column E (less any amounts allocable to partners subject to replacement tax)	Step 6, Line 39
Step 3, Line 6, Column E	Step 4, Line 18	Step 4, Line 2, Column D	Step 6, Line 40
Step 3, Line 7, Column E	Step 4, Line 19	Step 4, Line 3 (for each partnership's Illinois sales)	Step 6, Line 41
Step 3, Line 8, Column E	Include in Step 4, Line 22	Step 4, Line 4 (for each partnership's apportionment factor)	Step 6, Line 42
Step 3, Line 10, Column E	Step 5, Line 24	Step 4, Line 6 (for each partnership's nonbusiness income or loss)	Step 6, Line 44
Step 3, Line 11, Column E	Step 5, Line 28	Step 4, Line 7 (for each partnership's income from non-unitary partnerships, partnerships included on this Schedule UB, S corporations, trusts, and estates)	Step 6, Line 45
Step 3, Line 12, Column E	Include in Step 5, Line 33*		
Step 3, Line 13, Column E	Step 5, Line 29		
Step 3, Line 14, Column E	Include in Step 5, Line 33*		
Step 3, Line 15, Column E	Include in Step 5, Line 33*		
Step 3, Line 16, Column E	Include in Step 5, Line 33*		
Step 3, Line 17, Column E	Include in Step 5, Line 33*		
Step 3, Line 18, Column E	Step 5, Line 30		
Step 3, Line 19, Column E	Step 5, Line 31		
Step 3, Line 20, Column E	Step 5, Line 32		
* Enter the portion on Form IL-1065, Line 33 (from line items on the Illinois Schedule M (for businesses)) that corresponds with the line item indicated on Schedule UB.			

Allocation Worksheet

Step 1: Non-taxable members

	A	B	C	D
Enter the FEIN of the Illinois non-taxable members	--- - --- - --- - FEIN	--- - --- - --- - FEIN	--- - --- - --- - FEIN	Combined Total
1 Illinois sales	_____	_____	_____	1 _____

Step 2: Taxable members

	A	B	C	D
Enter the FEIN of the Illinois taxable members	--- - --- - --- - FEIN	--- - --- - --- - FEIN	--- - --- - --- - FEIN	Combined Total
2 Illinois sales	_____	_____	_____	2 _____
3 Divide member's amount on Line 2 by the combined total on Line 2, Column D.	____ . _____	____ . _____	____ . _____	
4 Multiply member's amount on Line 3 by the combined total on Line 1, Column D.	_____	_____	_____	
5 Add member's amount on Line 4 to the member's amount on Line 2.	_____	_____	_____	

Allocation worksheet instructions

Use this worksheet to allocate the amount of Illinois sales of Illinois non-taxable members of the group to the Illinois taxable members of the unitary business group. If the unitary group consists of more members than space provided in the worksheet, complete additional copies. Keep this record for your files.

Step 1 - Calculate the Illinois non-taxable member's amount of Illinois sales. List the FEINs of all Illinois non-taxable members of the unitary business group.

Line 1 - Columns A through C - Enter the amount of the sales inside Illinois for each Illinois non-taxable member. If the non-taxable member is a member of a sales factor subgroup, report the amount of Illinois sales. If the non-taxable member is included on a Subgroup Schedule, report the amount from Line 5. Do **not** report this amount on Schedule UB, Step 4, Line 3.

Column D - Total Line 1, Columns A through C. If you have additional Allocation Worksheets because you have more members than space will allow on one page, add Columns A through C of all worksheets and enter the result on Line 1, Column D. The amount entered on Line 1, Column D, will be the same on every worksheet attached and equal the combined total for all amounts on Line 1, Columns A through C, of all worksheets.

Step 2 - Calculate the Illinois taxable member's sales factor numerator. List the FEINs of all Illinois taxable members of the unitary business group.

Line 2 - Columns A through C - Enter the Illinois taxable member's Illinois sales. If the taxable member is a member of a sales factor subgroup, report the amount of Illinois sales as would be reported on Schedule UB, Step 4, Line 3, before the non-taxable members' addback. If the taxable member is included on a Subgroup Schedule, report the amount from Line 5.

Column D - Total Line 2, Columns A through C. If you have additional Allocation Worksheets because you have more members than space will allow on one page, add Columns A through C of all worksheets and enter the result on Line 2, Column D. The amount entered on Line 2, Column D, will be the same on every worksheet attached and equal the combined total for all amounts on Line 2, Columns A through C, of all worksheets.

Line 3 - Follow the instructions on the worksheet. Round to six decimal places.

Line 4 - Follow the instructions on the worksheet. Round to the nearest dollar.

Line 5 - Follow the instructions on the worksheet. Enter each Illinois taxable member's amount from Line 5 on Schedule UB, Step 4, Line 3.

Example of Joyce Apportionment

In this example, there are three members of the unitary group that are non-taxable in Illinois (FEINs 44-4445555, 66-6667777, and 34-5678901). One of those Illinois non-taxable members (FEIN 44-4445555) is part of the insurance subgroup and is included on the Subgroup Schedule. Another Illinois non-taxable member (FEIN 34-5678901) has no Illinois sales.

For tax years ending prior to December 31, 2025, Illinois followed the Joyce method of apportionment. The Illinois non-taxable members and their sales everywhere are included on both the Schedule UB and the Subgroup Schedule. However, those Illinois non-taxable members would not include any Illinois sales in their numerator on the Schedule UB or on the Subgroup Schedule.

Example of Step 2 of Subgroup Schedule

Insurance Companies Subgroup Schedule - Subgroup Schedule #1

Step 2: Determine your subgroup apportionment factor

	A	B	C	D
	22 - 2223333	44 - 4445555		Total
	FEIN	FEIN	FEIN	
1 Enter the sales everywhere.	\$250,000	\$750,000		1 \$1,000,000
2 Section 304 Numerator	\$35,000	\$0		
3 Section 304 Denominator	\$105,000	\$135,000		3 \$240,000
4 Divide Line 2 of each Column by Line 3, Column D . Round to six decimal places.	0.145833	0.000000		
		Non-taxable in IL		
5 Sales inside Illinois. Multiply Line 4 of each Column by Line 1, Column D .	\$145,833	\$0		

No Allocation Worksheet

This example is continued on next page.

Example of Joyce Apportionment, continued

Examples of Apportionment Lines from Step 4 of Schedule UB

Schedule UB, Step 4 - #1

From Subgroup #1

	A FEIN 22 - 2223333	B FEIN 44 - 4445555 Non-taxable in IL	C FEIN 66 - 6667777 Non-taxable in IL	D Combined totals
2 Enter the net sales everywhere.	\$250,000	\$750,000	\$2,000,000	2 See Sched. UB #2
3 Enter the net sales inside Illinois.	\$145,833	\$0	\$0	3 See Sched. UB #2
4 Apportionment factor Divide Line 3 of each Column by Line 2, Column D . (Round to six decimal places.)	0.024916	0.000000	0.000000	4 See Sched. UB #2

Schedule UB, Step 4 - #2

	A FEIN 88 - 8889999	B FEIN 11 - 1110000	C FEIN 34 - 5678901 Non-taxable in IL	D Combined totals
2 Enter the net sales everywhere.	\$2,500,000	\$3,000	\$350,000	2 \$5,853,000
3 Enter the net sales inside Illinois.	\$2,055,393	\$1,587	\$0	3 \$2,202,813
4 Apportionment factor Divide Line 3 of each Column by Line 2, Column D . (Round to six decimal places.)	0.351169	0.000271	0.000000	4 0.376356

Example of Apportionment Lines from Step 4 of Form IL-1120

28 Total sales everywhere. This amount cannot be negative.	28 \$5,853,000	{ ←
29 Total sales inside Illinois. This amount cannot be negative.	29 \$2,202,813	
30 Apportionment Factor. Divide Line 29 by Line 28. Round to six decimal places.	30 0.376356	

Example of Finnigan Apportionment

In this example, there are three members of the unitary group that are non-taxable in Illinois (FEINs 44-4445555, 66-6667777, and 34-5678901). One of those Illinois non-taxable members (FEIN 44-4445555) is part of the insurance subgroup and is included on the Subgroup Schedule. Another Illinois non-taxable member (FEIN 34-5678901) has no Illinois sales.

For tax years ending on or after December 31, 2025, Illinois follows the Finnigan method of apportionment. The Illinois non-taxable members and their sales everywhere are included on both the Schedule UB and the Subgroup Schedule. These Illinois non-taxable members would also include any Illinois sales in their numerator on the Subgroup Schedule but not on the Schedule UB. Instead, because one member of the unitary group has nexus in Illinois, the Illinois sales from these Illinois non-taxable members must be included in the Illinois taxable members' sales factor numerators on Schedule UB. The Allocation Worksheet is used to calculate the Illinois taxable members' numerators when the unitary group includes Illinois non-taxable members with sales inside Illinois.

Example of Step 2 of Subgroup Schedule

Insurance Companies Subgroup Schedule - Subgroup Schedule #1

Step 2: Determine your subgroup apportionment factor

	A	B	C	D
	22 - 2223333	44 - 4445555		Total
	FEIN	FEIN	FEIN	
1 Enter the sales everywhere.	\$250,000	\$750,000		1 \$1,000,000
2 Section 304 Numerator	\$35,000	\$85,600		
3 Section 304 Denominator	\$105,000	\$135,000		3 \$240,000
4 Divide Line 2 of each Column by Line 3, Column D. Round to six decimal places.	0.145833	0.356667		
5 Sales inside Illinois. Multiply Line 4 of each Column by Line 1, Column D.	\$145,833	\$356,667		

Non-taxable in IL

This amount is carried over to the Allocation Worksheet, but not to Sch. UB, Step 4, Line 3.

Example of Allocation Worksheet from Schedule UB Instructions

Step 1: Non-taxable members *From Subgroup #1*

	A	B	C	D
Enter the FEIN of the Illinois non-taxable members	44 - 4445555	66 - 6667777	34 - 5678901	Combined Total
	FEIN	FEIN	FEIN	
1 Illinois sales	\$356,667	\$23,150	\$0	1 \$379,817

Step 2: Taxable members *From Subgroup #1*

	A	B	C	D
Enter the FEIN of the Illinois taxable members	22 - 2223333	88 - 8889999	11 - 1110000	Combined Total
	FEIN	FEIN	FEIN	
2 Illinois sales	\$145,833	\$2,055,393	\$1,587	2 \$2,202,813
3 Divide member's amount on Line 2 by the combined total on Line 2, Column D.	0.066203	0.933076	0.000720	
4 Multiply member's amount on Line 3 by the combined total on Line 1, Column D.	\$25,145	\$354,398	\$273	
5 Add member's amount on Line 4 to the member's amount on Line 2.	\$170,978	\$2,409,791	\$1,860	

Amounts entered on Sch. UB, Step 4, Line 3

Example of Finnigan Apportionment, continued

Examples of Apportionment Lines from Step 4 of Schedule UB

Schedule UB, Step 4 - #1

From Subgroup #1

	A FEIN 22 - 2223333	B FEIN 44 - 4445555	C FEIN 66 - 6667777	D Combined totals
		Non-taxable in IL	Non-taxable in IL	
2 Enter the net sales everywhere.	\$250,000	\$750,000	\$2,000,000	2 See Sched. UB #2
3 Enter the net sales inside Illinois.	\$170,978	\$0	\$0	3 See Sched. UB #2
4 Apportionment factor Divide Line 3 of each Column by Line 2, Column D . (Round to six decimal places.)	0.029212	0.000000	0.000000	4 See Sched. UB #2

Schedule UB, Step 4 - #2

	A FEIN 88 - 8889999	B FEIN 11 - 1110000	C FEIN 34 - 5678901	D Combined totals
			Non-taxable in IL	
2 Enter the net sales everywhere.	\$2,500,000	\$3,000	\$350,000	2 \$5,853,000
3 Enter the net sales inside Illinois.	\$2,409,791	\$1,860	\$0	3 \$2,582,629
4 Apportionment factor Divide Line 3 of each Column by Line 2, Column D . (Round to six decimal places.)	0.411719	0.000318	0.000000	4 0.441249

Example of Apportionment Lines from Step 4 of Form IL-1120

28 Total sales everywhere. This amount cannot be negative.	28 \$5,853,000
29 Total sales inside Illinois. This amount cannot be negative.	29 \$2,582,629
30 Apportionment Factor. Divide Line 29 by Line 28. Round to six decimal places.	30 0.441249

