



# informational

## Bulletin

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## Illinois Income Tax Guidance - Changes for Business Income Tax

**To: All tax practitioners and business income taxpayers**

For tax years ending on or after December 31, 2018, the following payment vouchers will be discontinued:

- **Form IL-505-B**, Automatic Extension Payment;
- **Form IL-1120-ES**, Estimated Income and Replacement Tax Payment Coupons for Corporations; and
- **Forms IL-516-I and IL-516-B**, Pass-through Prepayment Vouchers and Instructions.

This bulletin is written to inform you of recent changes; it does not replace statutes, rules and regulations, or court decisions.

Taxpayers making an extension payment, an estimated payment, or a voluntary prepayment of their tax liabilities will use the voucher associated with the return type they are filing. See the list below to determine the correct voucher type to use:

Form	Return Type	Voucher
IL-1120	Corporation Income and Replacement Tax	IL-1120-V
IL-1120-ST	Small Business Corporation Replacement Tax	IL-1120-ST-V
IL-1065	Partnership Replacement Tax	IL-1065-V
IL-1041	Fiduciary Income and Replacement Tax	IL-1041-V
IL-990-T	Exempt Organization Income and Replacement Tax	IL-990-T-V

**For information or forms**  
Visit our website at:  
[tax.illinois.gov](http://tax.illinois.gov)

File your return online at:  
[mytax.illinois.gov](http://mytax.illinois.gov)

Call us at:  
1 800 732-8866 or  
217 782-3336

Call our TDD  
(telecommunications device  
for the deaf) at:  
1 800 544-5304

Using one voucher for payments associated with the return type will

- eliminate confusion about which lines to list credits and payments,
- reduce the number of lines on each return, and
- allow the Department to process payments in a more efficient manner.

Failure to use the appropriate voucher may result in a delay in the processing of your payment or return, further correspondence, a delay in the generation of any overpayment, or assessment of penalty and interest.

### What will the change look like on the business income tax return?

Effective for tax years ending on or after December 31, 2018, taxpayers will claim credits carried forward, extension payments, estimated payments, voluntary prepayment of their tax liabilities, and any other payments made before the original due date of their return on one line instead of separate lines on their business income tax return. These payments will be reported as "Credits and payments made before the original tax due date". See examples on the next page.

**What other changes can I expect?**

Before the end of the year, the Department’s website ([tax.illinois.gov](http://tax.illinois.gov)) and MyTax Illinois ([mytax.illinois.gov](http://mytax.illinois.gov)) will be updated to remove Forms IL-505-B, IL-1120-ES, IL-516-I, and IL-516-B and to direct taxpayers to use the appropriate voucher associated with their business income tax return type.

Forms and instructions reflecting these changes will be published with other year-end changes in January 2019.

**Example for IL-1120**

**Current - 2017** IL-1120 reports credits carried forward, estimated payments, and extension payments on multiple lines:

60	Payments. See instructions.	
a	Credit from prior year overpayments.	60a <u>          .00</u>
b	Total estimated payments.	60b <u>          .00</u>
c	Form IL-505-B (extension) payment.	60c <u>          .00</u>
d	Pass-through withholding payments reported to you on Schedule(s) K-1-P or K-1-T. <b>Attach</b> Schedule(s) K-1-P or K-1-T.	60d <u>          .00</u>
e	Illinois gambling withholding. <b>Attach</b> Form(s) W-2G.	60e <u>          .00</u>

**New - 2018** IL-1120 will report all of these credits and payments on one line:

60	Payments. See instructions.	
a	Credits and payments made before the original tax due date.	60a <u>          .00</u>
b	Pass-through withholding payments reported to you on Schedule(s) K-1-P or K-1-T. <b>Attach</b> Schedule(s) K-1-P or K-1-T.	60b <u>          .00</u>
c	Illinois gambling withholding. <b>Attach</b> Form(s) W-2G.	60c <u>          .00</u>

**Example for IL-1065**

**Current - 2017** IL-1065 reports credits carried forward, extension payments, and IL-516 prepayments on multiple lines:

61	Payments. See instructions.	
a	Credit from prior year overpayments.	61a <u>          .00</u>
b	Form IL-505-B (extension) payment.	61b <u>          .00</u>
c	Pass-through withholding payments reported to you on Schedule(s) K-1-P or K-1-T. <b>Attach</b> Schedule(s) K-1-P or K-1-T.	61c <u>          .00</u>
d	Illinois gambling withholding. <b>Attach</b> Form(s) W-2G.	61d <u>          .00</u>
e	Form IL-516-I prepayments.	61e <u>          .00</u>
f	Form IL-516-B prepayments.	61f <u>          .00</u>

**New - 2018** IL-1065 will report all of these credits and payments on one line:

61	Payments. See instructions.	
a	Credits and payments made before the original tax due date.	61a <u>          .00</u>
b	Pass-through withholding payments reported to you on Schedule(s) K-1-P or K-1-T. <b>Attach</b> Schedule(s) K-1-P or K-1-T.	61b <u>          .00</u>
c	Illinois gambling withholding. <b>Attach</b> Form(s) W-2G.	61c <u>          .00</u>