



Illinois Partnership Replacement Tax Return

1997 IL-1065

or fiscal year beginning ___/___, 1997, ending ___/___, 19___

Due on or before the 15th day of the 4th month following the close of the tax year.

Do not write above this line.

Place Name of partnership
label C/O
here Mailing address
City State ZIP

Federal employer identification number (FEIN)

Check applicable boxes:
Name or address change
First return
Final return
If you checked final return, complete the questions located at the end of this return.
Are you making an IRC § 761 election? Yes No

Part I - Base income (loss) Complete Part IA before completing Part I

1 Unmodified base income (loss) from Part IA, Line 5
2 Additions (See specific instructions for Part I.)
a State, municipal, and other interest income excluded in arriving at Line 1 above
b Illinois replacement tax deducted in arriving at Line 1 above
c Guaranteed payments to partners from U.S. Form 1065, Line 10
d Distributive share of additions
e An amount equal to the share of loss distributable to a partner subject to Illinois replacement tax
3 Total additions. Add Lines 2a through 2e.
4 Total income. Add Line 1 and Line 3.
5 Subtractions (See specific instructions for Part I.)
a Interest income from U.S. Treasury obligations
b August 1, 1969, valuation limitation amount from Schedule F
c Greater of personal service income or reasonable allowance for compensation paid or accrued to partners
d An amount equal to the share of income distributable to a partner subject to Illinois replacement tax
e Enterprise zone or foreign trade zone/sub-zone dividends from Schedule 1299-A
f Expenses incurred in producing certain federally tax-exempt income (See instructions.)
g Other subtractions (specify:)
6 Total subtractions. Add Lines 5a through 5g.
7 Base income (loss). Subtract Line 6 from Line 4.
If base income (loss) is derived solely inside Illinois, write this amount on Part II, Line 1a.
If base income (loss) is derived inside and outside Illinois, write this amount on Part III, Line 1.

Part II - Net income (loss) and replacement tax

1 a Base income (loss) from Part III, Line 11, if applicable; otherwise, from Part I, Line 7
Check this box if Line 1a is a loss and you are electing to forgo the Illinois NLD carryback period.
b Illinois net loss deduction (NLD). (Attach Schedule NLD, see instructions.)
c Income after NLD. Subtract Line 1b from Line 1a (cannot be less than zero).
2 Total base income from Part I, Line 7
3 Divide Line 1a by Line 2. If Line 1a equals or exceeds Line 2, write "1."
4 Standard exemption. Multiply Line 3 by \$1,000 (short year filers, see General Information).
5 Net income. Subtract Line 4 from Line 1c.
6 a Replacement tax. Multiply Line 5 by 1.5% (.015).
b Recapture of investment credits from Schedule 4255. (See instructions.)
7 Total replacement tax before investment credits. Add Lines 6a and 6b.
8 Investment credits from Form IL-477, or write "0" and check this box if electing to pass through credits.
9 Net replacement tax. Subtract Line 8 from Line 7 (cannot be less than zero).
10 Tax paid with Form IL-505-B. Include any 1996 overpayment credited to 1997 tax.
11 Overpayment. Subtract Line 9 from Line 10.
a Write the amount of overpayment to be credited to 1998.
12 Tax due. Subtract Line 10 from Line 9. This is your balance of tax due (see instructions). Pay in full if \$1 or more.

Under penalties of perjury, I state that I have examined this return and, to the best of my knowledge, it is true, correct, and complete. Do not write in this box.

Sign here
Signature of partner Date Phone
Signature of preparer Date Preparer's Social Security number or firm's FEIN
Check if self-employed

Preparer firm's name (or yours, if self-employed) Address Phone

Mail this return to: Illinois Department of Revenue, P.O. Box 19031, Springfield, IL 62794-9031

Part IA — Ordinary income adjustments – (See instructions.)

- 1 Ordinary income (loss) from 1997 U.S. Form 1065, Line 22 1 _____
- 2 Write the appropriate amounts from 1997 U.S. Form 1065, Schedule K.
 - a Net income (loss) from rental real estate activities from Line 2 2a _____
 - b Net income (loss) from other rental activities from Line 3c 2b _____
 - c Portfolio income (loss) from Lines 4a through 4f 2c _____
 - d Net IRC Section 1231 gain (loss) from involuntary conversions due to casualty and theft, included in Line 7 2d _____
 - e Net gain (loss) from sale or exchange of property used in trade or business and certain involuntary conversions under IRC Section 1231 from Line 6 2e _____
 - f Any other items of income (loss) which were not included in the computation of ordinary income (loss) on U.S. Form 1065, Page 1
Identify: _____ 2f _____
- 2 **Total.** Add Lines 2a through 2f. 2 _____
- 3 Add Line 1 and Line 2. 3 _____
- 4 Write the appropriate amounts from 1997 U.S. Form 1065, Schedule K.
 - a Charitable contributions from Line 8 4a _____
 - b Expense deduction under IRC Section 179 from Line 9 4b _____
 - c Payments for partners to an IRA included in Line 11 4c _____
 - d Payments for partners to a Keogh Plan included in Line 11 4d _____
 - e Payments for partners to a Simplified Employee Pension (SEP) included in Line 11 4e _____
 - f Oil and gas depletion (See instructions.) 4f _____
 - g Interest on investment indebtedness from Line 14a 4g _____
 - h Any other items of expense which were not deducted in the computation of ordinary income (loss) on U.S. Form 1065, Page 1
Identify: _____ 4h _____
- 4 **Total.** Add Lines 4a through 4h. 4 _____
- 5 Unmodified base income (loss). Subtract Line 4 from Line 3 and write on Part I, Line 1. 5 _____

Part III — Base income (loss) allocable to Illinois

Complete Part III only if base income (loss) is derived inside and outside Illinois.

- 1 Base income (loss) from Part I, Line 7 1 _____
- 2 a Nonbusiness income (loss) included in Line 1 net of deductions directly allocable to such income (Attach Schedule NB, see Part III, specific instructions.) 2a _____
- b Business income (loss) from other partnerships included in Part III, Line 1 2b _____
- 3 Total. Add Lines 2a and 2b. 3 _____
- 4 Business income (loss). Subtract Line 3 from Line 1. 4 _____
- 5 Business income apportionment formula (Financial organizations and transportation companies see Special Apportionment Formula instructions.)

	1 Total everywhere (cannot be negative)	2 Within Illinois (cannot be negative)	3 Column 2 ÷ Column 1 (carry to six decimal places)
a Property factor	5a _____	_____	_____
b Payroll factor	5b _____	_____	_____
c Sales factor	5c _____	_____	_____
d Sales factor. Write the decimal from Column 3, Line 5c.			5d _____
6 Total. Add Column 3, Lines 5a through 5d.			6 _____
7 Average (See instructions.)			7 _____
8 Business income (loss) apportionable to Illinois. Multiply Line 4 by Line 7.			8 _____
9 Nonbusiness income (loss) allocable to Illinois (Attach Schedule NB, see Part III, specific instructions.)			9 _____
10 Partnership business income (loss) apportionable to Illinois			10 _____
11 Base income or net loss allocable to Illinois. Add Lines 8 through 10 and write on Part II, Line 1a.			11 _____

- 1 Check the method of accounting used in preparing this return: Cash Accrual Other (specify: _____)

If you have sold or discontinued your business, please complete the following questions.

- 2 Business discontinued date: _____ (or) Business sold date: _____
- 3 New owner's name and address: _____
- 4 Former owner's forwarding address: _____

