



Illinois Department of Revenue
Schedule 1299-A

Attach to your Form IL-1065 or IL-1120-ST.

**Tax Subtractions
and Credits**

For partnerships and S corporations

Year ending

Month Year

Name as shown on your return

Federal employer identification no. (FEIN)

Section I — Tax Subtractions

Part I — Enterprise Zone or Foreign Trade Zone/Sub-Zone Dividend Subtraction

		A	B			C
		Corporation's name	Name of enterprise or foreign trade zone/sub-zone			Dividend amount
1	a	_____	_____			1a _____
	b	_____	_____			1b _____
	c	_____	_____			1c _____
2	Dividend subtraction. Add Column C, Lines 1a through 1c and write here and on your Form IL-1065, Part I, Line 5e or Form IL-1120-ST, Part I, Line 5b.					2 _____

Part II — Contribution Subtraction - Form IL-1120-ST Filers Only

		A	B	C			D
		Name of enterprise zone	Zone organization	Contribution amount			Column C x 2
3	a	_____	_____	_____			3a _____
	b	_____	_____	_____			3b _____
	c	_____	_____	_____			3c _____
4	Contribution subtraction. Add Column D, Lines 3a through 3c and write here and on your Form IL-1120-ST, Part I, Line 5c.					4 _____	

Part III — Interest Subtraction - Form IL-1120-ST Financial Organizations Only

		A	B	C	D	E	F	G			H
		Borrower	Property by which loan is secured	Year of investment credit	Zone of secured property	Basis of property	Loan amount	Total interest			Column E ÷ Column F. Multiply result by Column G.
5	a	_____	_____	_____	_____	_____	_____	_____			5a _____
	b	_____	_____	_____	_____	_____	_____	_____			5b _____
	c	_____	_____	_____	_____	_____	_____	_____			5c _____
6	Interest subtraction. Add Column H, Lines 5a through 5c and write here and on your Form IL-1120-ST, Part I, Line 5d.										6 _____



Section II — Tax Credits

Part I — Enterprise Zone Investment Credit

A		B		C	D	E	F	G		
Description of qualified property		Date placed in service in Illinois		ACRS Class	New/Used*	Name of enterprise zone	Basis	Column F x .5% (.005)		
		Month	Year							
7	a	_____	____/____	_____	_____	_____	_____	7a	_____	
	b	_____	____/____	_____	_____	_____	_____	7b	_____	
	c	_____	____/____	_____	_____	_____	_____	7c	_____	
8	Write the distributive share of enterprise zone investment credit from other partnerships and S corporations.								8	_____
9	Enterprise zone investment credit. Add Column G, Lines 7a through 7c and 8 and write here and on Schedule K-1-P, Step 7, Line 43b.								9	_____

*If the property is used, write the abbreviation for the state in which the property was previously used.

Part II — Training Expense Credit

A	B	C		
Total training expenses	Rate	Column A x Column B		
10	1.6% (.016)	10	_____	
11	Write the distributive share of training expense credit from other partnerships and S corporations.		11	_____
12	Training expense credit. Add Column C, Lines 10 and 11 and write here and on Schedule K-1-P, Step 7, Line 43c.		12	_____

Part III — Environmental Remediation Tax Credit

A	B	C	D	E		
Total unreimbursed remediation costs	Either \$100,000 threshold or name of enterprise zone where site is located*	Costs eligible for credit Col. A - Col. B	Rate	Column C x Column D		
13	_____	_____	25% (.25)	13	_____	
14	Write the lesser of Column E, Line 13 or \$40,000.				14	_____
15	Write the distributive share of environmental remediation credit from other partnerships and S corporations.				15	_____
16	Environmental remediation credit. Add Column E, Lines 14 and 15 and write here and on Schedule K-1-P, Step 7, Line 43d.				16	_____

*If your site is located in an enterprise zone **and** certified by DCCA, you **do not** have to meet the \$100,000 threshold (see instructions).



General Information

A new income tax credit is available for tax years ending **on or after** January 1, 1998. The Environmental Remediation Tax Credit is available to taxpayers for certain amounts paid for unreimbursed eligible remediation costs and approved by the Illinois Environmental Protection Agency (EPA). Your partners or shareholders may claim their share of the credit for eligible remediation costs deducted on your federal return. However, your partners or shareholders must add those costs back on their Illinois return to include them in their Illinois base income.

Note: See Illinois Form 1299-S, Enterprise Zones, Foreign Trade Zones, and Sub-Zones, for a list of the enterprise zones and foreign trade zone/sub-zones in Illinois, as well as their definitions.

Section I

Part I — Enterprise Zone or Foreign Trade Zone/Sub-Zone Dividend Subtraction

You may claim a subtraction modification for dividends received from a corporation that

- conducts substantially all of its business operations in an Illinois enterprise zone or zones, or
- is designated by the Illinois Department of Commerce and Community Affairs (DCCA) as a "High Impact Business" and conducts business operations in a federally designated foreign trade zone/sub-zone located in Illinois.

Line 1

Column A — Write the name of the corporation whose dividends you received.

Column B — Write the name of the enterprise or foreign trade zone/sub-zone in which the corporation is located.

Note: You may deduct 100 percent of these dividends that are included in Illinois base income. However, dividends eligible for the enterprise zone subtraction are not eligible for the foreign trade zone/sub-zone subtraction.

Column C — Write the amount of dividends you received from the corporation.

Line 2 — Follow the instructions on the form.

**Part II — Contribution Subtraction-
Form IL-1120-ST filers only**

Line 3— You may deduct twice the amount of any contribution made during your tax year to a designated zone organization to be used for an enterprise zone project approved by DCCA, provided that the contribution qualifies as a charitable contribution under Internal Revenue Code (IRC), Section 170(c).

Column A — Write the name of the enterprise zone that is the site of the project for which the contribution was made.

Column B — Write the name of the designated zone organization to which the contribution was made.

Column C — Write the amount of contribution.

Column D — Multiply each entry in Column C by 2.

Line 4 — Follow the instructions on the form.

**Part III — Interest Subtraction-
Form IL-1120-ST filers only**

A **financial organization**, as defined in Illinois Income Tax Act (IITA), Section 1501(a)(8), may subtract any interest income received during its tax year from a loan made to a borrower, but

only to the extent the loan is secured by qualified property that is eligible for the enterprise zone or high impact business investment credit.

Line 5

Column A — Write the name of the borrower eligible to claim the enterprise zone or high impact business investment credit on its Illinois tax return.

Column B — Write a description of each item of qualified property used to secure the loan.

Column C — Write the year the borrower claimed or will claim the credit on the qualified property.

Column D — Write the name of the foreign trade zone/sub-zone (if applicable) or enterprise zone in which the property used as security is located.

Column E — Write the basis of each item of property listed in Column B, used to compute the depreciation deduction for federal income tax purposes.

Column F — Write the amount of the loan.

Column G — Write the interest received for the loan during the tax year.

Column H — Divide each entry in Column E by Column F (the result of this division may not exceed one), and multiply the result by Column G.

Line 6 — Follow the instructions on the form.

Section II

Part I — Enterprise Zone Investment Credit

You may carry any excess credit forward for five years. You must use this excess credit in proportion to its share of the total excess credit available for the year in which the credit was earned.

Line 7

Column A — Describe each item of qualified property placed in service in an Illinois enterprise zone. The property must have been placed in service on or after the date on which the zone was officially designated. Write only qualified property placed in service during the tax year that continues to be used in the zone on the last day of your tax year.

***Qualified property** is property that is tangible; depreciable pursuant to IRC, Section 167; has a useful life of four or more years as of the date placed in service in Illinois; and is acquired by purchase as defined in IRC, Section 179(d). Qualified property can be new or used but cannot have been previously used in Illinois. Such property includes buildings, structural components of buildings, and signs that are real property. It does not include land or improvements to real property that are not a structural component of a building, such as landscaping, sewer lines, local access roads, fencing, parking lots, and other appurtenances.

Any improvement or addition made on or after the date the enterprise zone was designated or the business was designated as a high impact business is considered to be qualified property to the extent that the improvement or addition is of a capital nature, which increases the adjusted basis of the property previously placed in service in Illinois, and otherwise meets the requirements of qualified property.

Column B — Write the date each item of qualified property listed in Column A was placed in service in Illinois. An item is placed in service on the earlier of

- the date the item is placed in a condition or state of readiness and availability for its specifically assigned function, or
- the date the depreciation period of the item begins.
(Generally, this will be the same date the item is placed in service for purposes of the federal depreciation deduction.)

Note: The date placed in service in Illinois must be written in Column B or your basis in Column F will be reduced to zero.

Column C — If you are using the federal accelerated cost recovery system (ACRS) to depreciate the property, write the ACRS class each item of qualified property listed in Column A was assigned. Property assigned to an ACRS class of less than four years is not qualified.

If you are not using the ACRS method to depreciate the property, write the useful life assigned to the property for federal depreciation purposes. The useful life of the property when placed in service must be four or more years in order to qualify.

Column D — Indicate whether each item of property written in Column A is new or used. If the property is used, write the abbreviation of the state the property was previously used. Property previously used in Illinois does not qualify for the Illinois investment credit if the property was used in such a manner and by such a person as would qualify for this credit.

Column E — Write the name of the enterprise zone in which the property is used.

Column F — For each item of property listed in Column A, write the basis used to compute the depreciation deduction for federal income tax purposes.

Column G — Multiply each entry in Column F by .5 percent (.005), and write the result.

Line 8 — Write any distributive share of enterprise zone investment credit distributed from other partnerships and S corporations.

Line 9 — Add the amounts in Column G, Lines 7a through 7c and 8, and write the result. This is your Enterprise Zone Investment Credit.

Part II — Training Expense Credit

A credit of 1.6 percent (.016) is allowed for all amounts paid or accrued for educational or vocational training in semi-technical or technical fields, or semi-skilled or skilled fields to provide educational, technical, or vocational training to enable individuals to perform the specialized tasks required by the new technologies of modern business and industry (on behalf of all persons employed by you in Illinois or Illinois residents employed outside of Illinois), and deducted from gross income in the computation of taxable income.

You may carry any excess credit forward for five years. You must use this excess credit in proportion to its share of the total excess credit available for the year in which the credit was earned.

Line 10

Column A — Write the total amount of training expenses for the tax year, paid or accrued on behalf of all persons you employed in Illinois or for Illinois residents employed outside Illinois.

Column C — Multiply the amount in Column A by 1.6 percent (.016), and write the amount.

Line 11 — Write any distributive share of training expense credit distributed from other partnerships and S corporations.

Line 12 — Add the amounts in Column C, Lines 10 and 11, and write the result. This is your Training Expense Credit.

Part III — Environmental Remediation Tax Credit

The Environmental Remediation Tax Credit allows a credit for tax years ending on or after January 1, 1998, for certain amounts paid for unreimbursed eligible remediation costs. Your partners or shareholders may claim their share of the credit for eligible remediation costs deducted on your federal return. However, your partners or shareholders must add those costs back on their Illinois return to include them in their Illinois base income.

The credit cannot be taken by any taxpayer if the taxpayer or any related party caused or contributed to, a release of regulated substances on, in, or under the site that was identified and addressed by the remedial action taken under the Site Remediation Program of the Environmental Protection Act.

To qualify for this credit you **must have received approval** of the unreimbursed eligible remediation costs from the Illinois EPA. You **must attach** Form ETC-RCA, Environmental Tax Credit—Remediation Cost Approval, to this form.

The credit allowed is 25 percent (.25) of the amount of unreimbursed eligible remediation costs in excess of \$100,000 per site. However, the \$100,000 threshold does not apply to sites located in an enterprise zone certified by DCCA. The maximum credit you may claim is \$40,000 annually, with a maximum total of \$150,000 per site.

Remediation costs must be

- approved by the Illinois EPA,
- incurred in performing environmental remediation at a Site Remediation Program site for which a No Further Remediation letter (NFR) was issued by the Illinois EPA and recorded by the site owner, and
- claimed for the tax year in which the Illinois EPA approval is granted.

You may carry any excess credit forward for five years. You must use this excess credit in proportion to its share of the total excess credit available for the year in which the credit was earned.

Any unused credit and remaining carryforward period may be sold to a buyer as part of a sale of all or part of the remediation site for which the credit was granted. The seller must record the transfer in the chain of title for the site and notify the director of the Illinois Department of Revenue, in writing, of the intent to sell the remediation site and the amount of tax credit that will be transferred as a portion of the sale.

For more information regarding the Site Remediation Program, applications, and tax credit review, you may call the Illinois EPA at 217 782-6760 or write to Illinois Environmental Protection Agency, Bureau of Land, 1021 North Grand Avenue East, Springfield, Illinois 62794-9276.

Line 13

Column A — Write the total amount of unreimbursed eligible remediation costs that were approved by the Illinois EPA.

Column B — Write the \$100,000 threshold **or** the name of the enterprise zone where your site, certified by DCCA, is located.

Column C — Subtract Column B from Column A.

Column E — Multiply the amount in Column C by 25 percent (.25), and write the result.

Line 14 — Write the lesser of Column E, Line 13, or \$40,000.

Line 15 — Write any distributive share of environmental remediation credit distributed from other partnerships and S corporations.

Line 16 — Add the amounts in Column E, Lines 14 and 15, and write the result. This is your Environmental Remediation Tax Credit.