



# Schedule NB Nonbusiness Income

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

Year ending

Month Year

Name as shown on your Form IL-1120, IL-1120-ST, IL-1065

Federal employer identification no. (FEIN)

**Read the instructions before completing this form.**

	Column A Total everywhere	Column B Allocable to Illinois
1 Interest*	1 _____	_____
2 Dividends*	2 _____	_____
3 Rental income	3 _____	_____
4 Patent royalties	4 _____	_____
5 Copyright royalties	5 _____	_____
6 Other royalty income	6 _____	_____
7 Capital gain (loss) from real property	7 _____	_____
8 Capital gain (loss) from tangible personal property	8 _____	_____
9 Capital gain (loss) from intangible personal property	9 _____	_____
10 Other (specify) _____	10 _____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
<b>Totals</b>	_____	_____
	<b>Write this total on Part III, Line 2a.</b>	<b>Write this total on Part III, Line 7.</b>

\*Interest and dividends are allocable to Illinois if your commercial domicile was in Illinois at the time the interest or dividend was paid or accrued.

# Schedule NB Instructions

**Note to partnerships and S corporations:** Do not include the portion of nonbusiness income or loss distributable to partners or shareholders subject to replacement tax reported on Form IL-1065, Part I, Lines 2e or 5d, or Form IL-1120-ST, Part I, Lines 2c or 5c.

**Column A** – Write in Column A on the appropriate line all nonbusiness income, wherever earned.

**Column B** – Of the amounts written in Column A, write in Column B any amount allocable to Illinois as follows:

**1 Net interest and dividends.** If your commercial domicile was in Illinois when the interest and dividends were paid or accrued, the interest and dividend income is allocable to Illinois.

**2 Rents and royalties.** Rents and royalties from real property are allocable to Illinois if the property is located in Illinois. Rents and royalties from tangible personal property are allocable to Illinois to the extent that the property is used in Illinois; or in their entirety, if at the time the rents or royalties were paid or accrued, your commercial domicile was in Illinois and you were not organized under the laws of, or taxable with respect to the rents or royalties in, the state in which the property was used.

The extent of use of tangible personal property in a state is determined by multiplying the rents or royalties derived from the property by a fraction, the numerator of which is the number of days of physical location of the property in the state during the rental or royalty period in the taxable year, and the denominator of which is the number of days of physical location of the property everywhere during all rental or royalty periods in the taxable year. If the physical location of the property during the rental or royalty period is unknown or unascertainable, tangible personal property is used in the state in which the property was located at the time the rental or royalty payer obtained possession.

**3 Patent and copyright royalties.** Patent and copyright royalties are allocable to Illinois to the extent that the patent or copyright is used by the payer in Illinois, or to the extent that the patent or copyright is used by the payer in a state in which you are not taxable with respect to the royalties and, at the time the royalties were paid or accrued, your commercial domicile was in Illinois.

A patent is used in a state to the extent that it is employed in production, fabrication, manufacturing, or other processing in the state or to the extent that a patented product is produced in the state. If the basis of, or receipts from, patent royalties do not permit allocation to states or if the accounting procedures do not reflect states of use, the patent is used in Illinois if your commercial domicile was in Illinois.

A copyright is used in a state to the extent that printing or other publication originates in the state. If the basis of, or receipts from, copyright royalties do not permit allocation to states or if the accounting procedures do not reflect states of use, the copyright is used in Illinois if your commercial domicile was in Illinois.

**4 Capital gains and losses.** Capital gains and losses resulting from the sale or exchange of property are allocable to Illinois

- for real property if the real property is located in Illinois;
- for tangible personal property if at the time of the sale or exchange the property had its situs in Illinois, or your commercial domicile was in Illinois and was not taxable in the state in which the tangible personal property had its situs; or
- for intangible personal property if your commercial domicile was in Illinois at the time of the sale or the exchange.

