



## Read this information first

You should file this schedule if

- you were either an Illinois resident or a part-year resident during the tax year; **and**
- you paid income tax to another state on income you earned while you were an Illinois resident; **and**
- the income subject to the other state's tax is included in your Illinois base income; **and**
- you did not deduct any income tax paid to another state when you figured your federal adjusted gross income as shown on your Form IL-1040, Line 1; **and**
- you are not receiving credit in the other state for Illinois taxes paid on that income.

You should **not** file this schedule if

- you were not an Illinois resident during the tax year; or
- you did **not** pay income tax to Illinois and another taxing jurisdiction on the same income; or
- you are receiving a credit with the other state on the double-taxed income.

For purposes of this schedule, "state" means any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or political subdivision of any of these (e.g., county, city). The term "state" does not refer to any foreign country.

**Note** → If you earned income in Iowa, Kentucky, Michigan, or Wisconsin, you may be covered by a reciprocal agreement. This agreement applies only to income from wages, salaries, tips, and other employee compensation. See Schedule CR Instructions.

## Step 1: Provide the following information

\_\_\_\_\_  
Your name as shown on your Form IL-1040

\_\_\_\_\_  
Your Social Security number

## Step 2: Calculate your credit

**1 Residents:** Write your Illinois base income from Form IL-1040, Line 11.

**Part-year residents:** Write your Illinois base income from Schedule NR, Step 5, Line 45.

**1** \_\_\_\_\_

**2** See instructions before completing Columns A, B, and C.

**Column A**  
Name of state

**Column B**  
Illinois base income taxed by other state  
(This amount may not exceed Line 1.  
See instructions.)

**Column C**  
Income tax paid to other state  
(on the income shown in Column B)

	Column A Name of state	Column B Illinois base income taxed by other state (This amount may not exceed Line 1. See instructions.)	Column C Income tax paid to other state (on the income shown in Column B)
<b>a</b>	_____	_____	_____
<b>b</b>	_____	_____	_____
<b>c</b>	_____	_____	_____
<b>d</b>	_____	_____	_____

**3** Add Column C, Lines 2a through 2d. This is the total income tax paid to other states on Illinois base income.

**3** \_\_\_\_\_

**4** Write your double-taxed base income from Column B. This amount **may not** exceed Line 1. (See instructions.)

**4** \_\_\_\_\_

**5** Write your Illinois tax due from Form IL-1040, Line 16, or from Schedule 4255 Worksheet, Line 3, which is found in Form IL-1040 Instructions, Step 6.

**5** \_\_\_\_\_

**6** Divide Line 4 by Line 1. (Carry to five decimal places.) This figure should never be greater than 1.00000.

**6** \_\_\_\_\_

**7** Multiply Line 5 by Line 6.

**7** \_\_\_\_\_

**8** Compare the amounts on Lines 3, 5, and 7. Write the least amount here and on Form IL-1040, Step 7, Line 19. This is your tax credit.

**8** \_\_\_\_\_

➔ **Attach this schedule and copies of your out-of-state tax returns to your Form IL-1040.** ←



# Schedule CR Instructions

## General Information

### What is the purpose of Schedule CR?

Schedule CR allows you, as a resident or part-year resident, to take an Illinois Income Tax credit for the income tax you paid to another state. You are allowed this credit **only** when you file a tax return with the other taxing jurisdiction and the **same income is "double-taxed"** by Illinois and the other taxing jurisdiction (*i.e.*, state, city, or county) **during the same taxable period**. The credit is limited to the lesser of Illinois tax, the other states' tax, or the prorated tax.

A **part-year resident** may only take a credit on income earned while a resident of Illinois.

### What forms must I attach to receive this credit?

You must attach to your Schedule CR complete copies of the tax return(s) you filed with the other state(s). However, if the other state (typically a city or county) imposes an earnings tax and does not require you to file a tax return, you must attach a copy of your Form W-2, Wage and Tax Statement, showing taxes paid.

If you are a member of a partnership or S corporation that pays tax for you in another state, attach a copy of the letter or statement (not the federal Schedule K-1) furnished to you by them. This letter must include the partnership or S corporation name and FEIN number, the income, and the tax paid on your behalf.

### What if I earn income in Iowa, Kentucky, Michigan, or Wisconsin?

If you are an Illinois resident and earned wages, salaries, tips, or other employee compensation from employers in Iowa, Kentucky, Michigan, or Wisconsin, you are covered by a reciprocal agreement and are not taxed on this type of income by these states. Employers in these states may have withheld Illinois Income Tax from your wages because of the reciprocal agreement. However, if the state income tax they withheld was for their state, you **may not** claim a credit on Schedule CR. You must file the appropriate forms with that state to receive your refund of taxes withheld in error.

If you paid tax to a local taxing jurisdiction (*i.e.*, city or county) within a reciprocal state, you may file Schedule CR to claim a credit for those taxes paid. Also, if you paid tax on income from sources other than wages, salaries, tips, and other employee compensation, you may file Schedule CR.

You may not claim a credit for the Michigan single business tax.

**Note** → An individual may be a resident of both Illinois and Wisconsin during part or all of the year due to differences in Illinois and Wisconsin law. If such a circumstance applies to you, you may claim a credit for Wisconsin tax on wages earned during periods of "dual residency."

## Specific Instructions

### Step 1: Provide the following information

Write your name and Social Security number as shown on your Form IL-1040.

### Step 2: Calculate your credit

**Line 1** – Follow the instructions on the schedule.

**Line 2** –

**Column A** – Write the name of each state in which you were taxed by both Illinois and that state. The state should only be listed if the income tax paid in the other state was for the same income included on Line 1 and credit has not been taken in that state for taxes paid in Illinois.

**Column B** – Write the amount of base income that is being taxed by both Illinois and the state listed in Column A. For Illinois purposes, "base income in the other state" means your federal adjusted gross income plus or minus any additions or subtractions that would make the income taxed in that state comparable to Illinois base income.

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For residents, the base income in the other state is comparable to the amount on Form IL-1040, Line 11. For part-year residents, the base income in the other state is the amount earned or received while a resident of Illinois (included in Schedule NR, Step 5, Line 45).

The amount written in Column B may not exceed the Illinois base income written on Line 1 because any income in excess of the Illinois base income is not double-taxed. If the amount of income subject to that state's tax exceeds Illinois base income, you must prorate the income tax liability paid to the other state. See "How do I prorate my tax?" and the example below.

**Column C** – Write the tax you paid the other state on income shown in Column B. You should take this tax amount from the other state's return. **Do not** use the withholding amount from your W-2 forms. If the amount shown in Column B is less than the total income on which you paid tax to that state, you must prorate the tax paid to that state.

### How do I prorate my tax?

To prorate your tax, divide the amount you show in Column B by the total income taxed by that state. (This amount should not include an exemption allowance.) Multiply the result by the amount shown on the tax line on that state's return.

$$(a) \text{ \$ } \frac{\text{Amount in Column B}}{\text{Income taxed by other state}} \div (b) \text{ \$ } \frac{\text{Income taxed by other state}}{\text{Income taxed by other state}} =$$

$$(c) \frac{\text{Decimal}}{\text{Decimal}} \times (d) \text{ \$ } \frac{\text{Other state's tax}}{\text{Other state's tax}} = (e) \text{ \$ } \frac{\text{Prorated tax}}{\text{Prorated tax}}$$

**Line 3** – Follow the instructions on the schedule.

**Line 4** – Write the amount of double-taxed base income on Line 4. If the same income is taxed by more than one state outside Illinois, include that income **only once** in Line 4. Line 4 may not exceed the Illinois base income reported on Line 1. See the example below.

**Lines 5 through 8** - Follow the instructions on the schedule.

#### Example:

John Q. Public is a resident of Illinois working in Missouri. His Illinois base income, as shown on his IL-1040, Line 11, is \$24,000.

The income reported on Mr. Public's Missouri return is \$25,000 and his tax is \$600. He earned \$1,500 of the \$25,000 while working in the City of St. Louis which imposed a tax of \$15.

Mr. Public's properly completed Schedule CR and proration calculation are below. Note that in Column B he shows only the amount of Missouri income that is included in his Illinois base income, and his Missouri tax has been prorated. In addition, the \$1,500 earned in the City of St. Louis is already included in the Missouri income and, therefore, not included twice in Line 4.

$$(a) \text{ \$ } \frac{24,000.00}{\text{Amount in Column B}} \div (b) \text{ \$ } \frac{25,000.00}{\text{Income taxed by other state}} =$$

$$(c) \frac{.96000}{\text{Decimal}} \times (d) \text{ \$ } \frac{600.00}{\text{Other state's tax}} = (e) \text{ \$ } \frac{576.00}{\text{Prorated tax}}$$

1 Residents: Write your Illinois base income from Form IL-1040, Line 11.

Part-year residents: Write your Illinois base income from Schedule NR, Step 5, Line 45. 1 24,000.00

2 See instructions before completing Columns A, B, and C.

	Column A Name of state	Column B Illinois base income taxed by other state (This amount may not exceed Line 1. See instructions.)	Column C Income tax paid to other state (on the income shown in Column B)
a	Missouri	24,000.00	576.00
b	St. Louis	1,500.00	15.00
c			
d			

3 Add Column C, Lines 2a through 2d. This is the total income tax paid to other states on Illinois base income. 3 591.00

4 Write your double-taxed base income from Column B. This amount may not exceed Line 1. (See instructions.) 4 24,000.00

5 Write your Illinois tax due from Form IL-1040, Line 16, or from Schedule 4255 Worksheet, Line 3, which is found in Form IL-1040 Instructions, Step 6. 5 690.00

6 Divide Line 4 by Line 1. (Carry to five decimal places.) This figure should never be greater than 1.00000. 6 1.00000

7 Multiply Line 5 by Line 6. 7 690.00

8 Compare the amounts on Lines 3, 5, and 7. Write the least amount here and on Form IL-1040, Step 7, Line 19. This is your tax credit. 8 591.00