



Write your name as shown on your return _____

Write your federal employer identification number (FEIN) _____

Figure your subtractions

Enterprise Zone or Foreign Trade Zone (or sub-zone) Dividend Subtraction

Form IL-1041 filers only

1041	A Corporation's name	B Name of Zone	C Dividend amount
1	a _____	_____	a _____
	b _____	_____	b _____
	c _____	_____	c _____
2	Add Column C, Lines 1a through 1c. Write your dividend subtraction here and on your Form IL-1041, Part I, Line 4e.		→ 2 _____

Form IL-1120 filers only (U.S. Forms 1120, 1120F, 1120L, and 1120PC)

1120	A Name of zone	B Domestic corporations (see instructions)	C (See instructions)	D Column B minus Column C	E Public utility corporations (see instructions)	F (See instructions)	G Column E minus Column F	H Other dividends
3	a Dividend deduction limitation amount (See instructions.)							a _____
	b Dividend deduction amounts (See instructions.)							b _____
4	Divide Line 3a by Line 3b and carry to six decimal places. Write your limitation ratio here.							→ 4 _____
5	a _____	_____	_____	_____	_____	_____	a _____	
	b _____	_____	_____	_____	_____	_____	b _____	
	c _____	_____	_____	_____	_____	_____	c _____	
	d Total Columns D, G, and H.			d _____			d _____	d _____
6	Add Line 5d, Columns D, G, and H. Write your dividend subtraction here and on your Form IL-1120, Part I, Line 5b.							→ 6 _____

Contribution Subtraction

A Name of zone	B Zone organization	C Contribution amount	D Column C x 2
7	a _____	_____	a _____
	b _____	_____	b _____
	c _____	_____	c _____
8	Add Column D, Lines 7a through 7c. Write your contribution subtraction here and on your Form IL-1120, Part I, Line 5c.		→ 8 _____

Interest Subtraction - Form IL-1120 financial organizations only

A Borrower	B Property by which loan is secured	C Year of investment credit	D Zone of secured property	E Basis of property	F Loan amount	G Total interest	H Column E ÷ by Column F (cannot exceed "1") Multiply result by Col. G
9	a _____	_____	_____	_____	_____	_____	a _____
	b _____	_____	_____	_____	_____	_____	b _____
	c _____	_____	_____	_____	_____	_____	c _____
10	Add Column H, Lines 9a through 9c. Write your interest subtraction here and on your Form IL-1120, Part I, Line 5d.						→ 10 _____

Schedule 1299-B Instructions

General Information

Complete this schedule if you are filing

- Form IL-1041 and are entitled to the subtraction for dividends from enterprise or foreign trade zones (or sub-zones); or
- Form IL-1120 and are entitled to the following subtractions:
 - Dividends from enterprise zones
 - Dividends from foreign trade zones (or sub-zones)
 - Contribution to a zone organization
 - Interest income from a loan (financial organizations only)

If you are filing an Illinois combined unitary return, complete one Schedule 1299-B for the entire unitary business group.

Note → See Illinois Schedule 1299-S, Enterprise Zones, Foreign Trade Zones, and Sub-Zones, for a listing of these zones in Illinois, as well as their definitions.

Figure your subtractions

Enterprise Zone or Foreign Trade Zone (or sub-zone) Dividend Subtraction

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

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

Note → You may deduct 100 percent of these dividends if they are included in your Illinois base income. However, dividends eligible for the enterprise zone subtraction are not eligible for the foreign trade zone (or sub-zone) subtraction.

Form IL-1041 filers only

Line 1 — Column A — Write the name of the corporation from which you received dividends.

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

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

Line 2 — Follow the instructions on the form.

Form IL-1120 filers only (U.S. Forms 1120, 1120F, 1120L, and 1120PC)

Line 3a — Write the amount from

- U.S. Form 1120, Schedule C, Line 9,
- U.S. Form 1120F, Schedule C, Line 8,
- U.S. Form 1120L, Schedule A, Line 10, or
- U.S. Form 1120PC, Schedule C, Line 25.

Line 3b — Write the total of U.S. Form

- U.S. Form 1120, Schedule C, Column (c), Lines 1 through 8,
- U.S. Form 1120F, Schedule C, Column (c), Lines 1 through 7,
- U.S. Form 1120L, Schedule A, Column (c), Lines 1 through 8 or
- U.S. Form 1120PC, Schedule C, Column (b), Line 23.

Line 4 — Divide Line 3a by Line 3b and carry to six decimal places. This is your **limitation ratio**.

Line 5 — Column B — Write the portion of

- U.S. Form 1120, or 1120F, Schedule C, Column (a), Lines 1, 2, and 3,
 - U.S. Form 1120L, Schedule A, Column (a), Lines 1, 2, and 3, or
 - U.S. Form 1120PC, Schedule C, Column (b), Lines 1, 2, and 3,
- received from an Illinois enterprise zone or foreign trade zone (or sub-zone) corporation

Column C — Multiply each entry in Col. B by the percentage used in

- U.S. Form 1120, or 1120F, Schedule C, Column (b), Lines 1, 2, and 3,
- U.S. Form 1120L, Schedule A, Column (b), Lines 1, 2, and 3, or
- U.S. Form 1120PC, Schedule C, Lines 15, 16, and 17.

Multiply the result by the decimal on Line 4 and write this amount.

Column E — Write the portion of

- U.S. Form 1120, or 1120F, Schedule C, Column (a), Lines 4 and 5,
- U.S. Form 1120L, Schedule A, Column (a), Lines 4 and 5, or
- U.S. Form 1120PC, Schedule C, Column (b), Lines 4, and 5.

Column F — Multiply each entry in Col. E by the percentage used in

- U.S. Form 1120, or 1120F, Schedule C, Column (b), Lines 4 and 5,
- U.S. Form 1120L, Schedule A, Column (b), Lines 4 and 5, or
- U.S. Form 1120PC, Schedule C, Lines 18 and 19.

Column H — Write the portion of U.S. Form

- U.S. Form 1120, Schedule C, Line 17,
 - U.S. Form 1120F, Schedule C, Line 12,
 - U.S. Form 1120L, Schedule A, Line 14, or
 - U.S. Form 1120PC, Schedule C, Line 13,
- received from an Illinois enterprise zone or foreign trade zone (or sub-zone) corporation.

Contribution Subtraction

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).

Line 7 — 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 8 — Follow the instructions on the form.

Interest Subtraction -

Form IL-1120 financial organizations only

If you are a **financial organization**, as defined in the Illinois Income Tax Act (IITA), Section 1501(a)(8), you may subtract any interest income received during the tax year from a loan made to a borrower, to the extent the loan is secured by qualified property that is eligible for the enterprise zone or high impact business investment credit.

“Qualified property” is property that is tangible, depreciable according 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 does not qualify for the Enterprise Zone Investment Credit if it was previously used in Illinois in a manner that qualified for that credit or for the Replacement Tax Investment Credit on Form IL-477. 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.

Line 9 — Column A — Write the name of the borrower eligible to claim the enterprise zone or high impact business investment credit.

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 (or 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 that was 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 year.

Column H — Divide each entry in Column E by Column F (cannot exceed one), and multiply the result by Column G.

Line 10 — Follow the instructions on the form.

