



Illinois Department of Revenue

IL-843 Amended Return or Notice of Change in Income

Attach to your revised Form IL-1120-ST, IL-1065, IL-1041, IL-1023-C, or IL-990-T.

Check one: [ ] For calendar year \_\_/\_\_/\_\_. [ ] Other year beginning \_\_/\_\_/\_\_, ending \_\_/\_\_/\_\_.

Part 1: Provide the following information

1 Print or type your name, current address, and FEIN.

Name
In care of
Mailing address
City State ZIP

Federal employer identification number (FEIN)

Illinois business tax (IBT) number

3 Check the appropriate box for the type of change being made.

[ ] NOL [ ] State change
[ ] Federal change [ ] Partial agreed [ ] Finalized

2 Check the box if any of the above information is new.
Check the box if you are filing this form only to report an increased net loss (See instructions.)

Write the date of IRS finalization. \_\_\_/\_\_\_/\_\_\_
Month Day Year

4 Explain, in detail, why you are filing this form.

5 Check the type of Illinois return you originally filed.

[ ] Form IL-1120-ST [ ] Form IL-1041 [ ] Trust or [ ] Estate [ ] Form IL-990-T [ ] Corporation or [ ] Trust
[ ] Form IL-1065 [ ] Form IL-1023-C

You must attach a revised copy of the appropriate Illinois return and any required schedules.

Complete Part 2 if you are reporting a change in federal ordinary or taxable income; otherwise go to Part 3.

Part 2: Report changes in your federal ordinary or taxable income

6 Write your income as originally reported.

a Ordinary income (from U.S. Form 1120S or U.S. Form 1065) or taxable income (from U.S. Form 1065-B). Attach a worksheet detailing any change in income, as well as changes in amounts reported on Schedule K of U.S. Form 1120S, U.S. Form 1065, or U.S. Form 1065-B. Refer to Form IL-1120-ST or Form IL-1065, Part IA, and specific instructions. Or

b Taxable income (from U.S. Form 1041 or U.S. Form 990-T). Refer to Form IL-1041 or Form IL-990-T, Part I, Line 1, specific instructions for the year being amended.

7 Write your corrected income.

8 Subtract Line 6 from Line 7. This is your net change.

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Part 3: Figure your refund or balance due

9 Write the tax withheld. Attach Form W-2 (fiduciaries only.)

10 Write the estimated payments and/or payments made with Form IL-505-B.

11 Write the tax paid with your original return (do not include penalty and interest).

12 Write any subsequent tax payments (do not include penalty and interest).

13 Add Lines 9 through 12. This is your total tax paid.

14 Write the total amounts previously refunded and/or credited for the year being amended.

15 Subtract Line 14 from Line 13. This is your net tax paid.

16 Write the corrected net tax (not less than zero) after recapture and tax credits.

17 Refund. Subtract Line 16 from Line 15.

18 Tax due. Subtract Line 15 from Line 16.

19 Penalty and interest due (see instructions).

20 Total balance due. Add Lines 18 and 19. Pay in full if \$1 or more. (See instructions.)

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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 Date Title Phone

Signature of preparer Date Preparer's SSN, FEIN, or PTIN 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 19016, Springfield, IL 62794-9016

This form is authorized as outlined by the Illinois Income Tax Act. Disclosure of this information is REQUIRED. Failure to provide information could result in a penalty. This form has been approved by the Forms Management Center. IL-492-0077



# Form IL-843 Instructions

## What is new?

- Effective **immediately**, “business income” is defined to mean all income that may be apportioned without violating the Constitution of the United States. This new definition overrules recent court cases that had ruled that gain from disposition of an entire business or from property that previously had been used in a business is not business income.
- The IL-477, Replacement Tax Investment Credit, scheduled to expire on December 31, 2003, has been extended until December 31, 2008. If you are a fiscal filer that qualifies for the Replacement Tax Investment Credit, and you did not claim it on your original return, you must file Form IL-843 and include Schedule IL-477 showing any credit that you are entitled to take.
- Effective for tax years **ending on or after December 31, 2003**, net loss deductions may no longer be used as a carryback to offset prior year income. The carryforward provision is now limited to 12 years. See “What if my amended return involves an Illinois net loss deduction?” and Schedule NLD for more information.
- Effective for tax years **ending on or after December 31, 2003**, the credit for replacement tax paid has been removed from Form IL-1041 Fiduciary Income and Replacement Tax Return, and Form IL-990-T, Exempt Organization Income and Replacement Tax Return. The \$1,000 exemption allowance has been removed from Form IL-1120-ST, Small Business Corporation Replacement Tax Return.
- Effective for tax years **beginning on or after January 1, 2003**, you may make an election to treat all of your income other than compensation as business income. This election must have been made on your original return and may not be revoked. However, you may file a “corrected return” to change this election. (See General Information, “What if I need to correct my return before the extended due date expires?”)

## General Information

### Who must file Form IL-843?

You must file Form IL-843 if you are a trust, estate, exempt organization, partnership, or S corporation and you have a change in any item of income, deduction, tax liability, or any tax credit reported on your original tax return. In addition, the respective beneficiaries, partners, or shareholders must be furnished with the information necessary to reflect any change in their Illinois tax liabilities. Amendments or corrections to your federal income tax return that result in a change to any items that enter into the computation of your or your partners' or shareholders' net income, net loss, or credits must also be reported.

If you are a corporation, you must use Form IL-1120-X, Illinois Amended Corporation Income and Replacement Tax Return, to claim a refund or report a change. If you are an individual, you must use Form IL-1040-X, Amended Individual Income Tax Return, to claim a refund or report a change.

## When should I file Form IL-843?

You should file Form IL-843 if you are amending a previously filed, processable Form

- IL-1120-ST, Small Business Corporation Replacement Tax Return,
- IL-1065, Partnership Replacement Tax Return,
- IL-1041, Fiduciary Income and Replacement Tax Return,
- IL-1023-C, Composite Income and Replacement Tax Return, or
- IL-990-T, Exempt Organization Income and Replacement Tax Return.

Your change can occur from a state or federal change, such as

- an amendment of your federal income tax return,
- an adjustment made by the Internal Revenue Service (IRS), or
- any other recomputation or redetermination, and

your change affects items used to compute your Illinois net income, net loss, or credits.

A separate Form IL-843 must be filed for each tax year you need to amend.

## What if I need to correct my return before the extended due date expires?

If you filed your original return and a state or federal correction or change needs to be made before the automatic extension due date has expired (see instructions on your original return), you should file a corrected Form IL-1120-ST, Form IL-1065, Form IL-1041, Form IL-1023-C, or Form IL-990-T, and write “CORRECTED” at the top. Due to the automatic extension, any additional return filed after the original return and prior to the extended due date will be considered a “corrected return” rather than an amended return.

If you are filing a “corrected return” to change the election on your original return to treat all income other than compensation as business income, clearly indicate the change to your election in Line 4 of Form IL-843.

If you are filing Form IL-1041, Form IL-1065, or Form IL-1120-ST as a “corrected return” to change the election on your original return to forgo the Illinois NLD carryback period, see Specific Instructions of the form you are correcting.

## How long do I have to amend my return?

The amount of time you have to amend your return depends on whether your Form IL-843 is being filed to report a state or federal change.

**State change** — If your change creates or increases the Illinois net loss for the year, you must file Form IL-843 within three years after the due date of the return, including extensions, in order to carry the increased loss amount to another year.

If your change decreases the tax due to Illinois and you are entitled to a refund, you must file Form IL-843 within

- three years after the due date of the return (including extensions),
- three years after the date your original return was filed, or
- one year after the date your Illinois tax was paid, whichever is latest.

**Note** — If you are reporting an Illinois net loss deduction (NLD) carryback, Form IL-843 must be filed within three years of the extended due date for the loss year return.

If your change increases the tax due to Illinois, you should file Form IL-843 and pay the tax, penalty, and interest promptly.

**Federal change** — You should not file this form until you receive a federal finalization notification from the IRS, stating that they have accepted your change, either by paying a refund, or by final assessment, agreement, or judgment.

If your federal change decreases the tax due to Illinois and you are entitled to a refund, you must file Form IL-843 within two years plus 120 days of federal finalization.

If your federal change increases the tax due to Illinois, you must file Form IL-843 and pay any additional tax within 120 days of IRS partial agreement or finalization. You must attach proof of the federal finalization date, showing the change was reported to Illinois within 120 days of IRS acceptance, or you may be assessed a late-payment penalty.

**Note** — If you fail to notify us of your change by filing Form IL-843, we may issue a notice of deficiency at any time. Once you file your change, we may issue a notice of deficiency within two years.

## What if my amended return involves an Illinois net loss deduction (NLD)?

**The following information does not apply to Form IL-1023-C and Form IL-990-T filers.**

If you have an Illinois NLD carryback or carryforward from any loss year ending on or after December 31, 1986, it is subtracted from and limited to base income allocable to Illinois.

To determine your “Illinois net loss” start with federal taxable, or ordinary income, without regard to any federal NOLD, and apply all addition and subtraction modifications, and all allocation and apportionment provisions.

Effective for tax years **ending on or after December 31, 2003**, Illinois net losses can no longer be carried back, and can only be carried forward for 12 years.

For loss years **ending on or after December 31, 1999, and before**

**December 31, 2003**, the Illinois NLD provisions are decoupled from IRC, Section 172. All Illinois net losses must be carried back 2 years (unless an election has been made to only carry forward such loss), then forward 20 years, which is the same as the general rule under the current version of IRC, Section 172. However, the special rules under IRC, Section 172, and future amendments to that section do not apply to Illinois net losses. This change also provides that no limitations under IRC, Section 382, or the separate return limitation year provisions of the federal consolidated return regulations will apply to an NLD carryover.

Illinois net losses in tax years **ending prior to December 31, 1999**, are allowed as a carryback or carryforward deduction only in the manner allowed under IRC, Section 172. Illinois net losses in tax years **beginning on or before August 5, 1997**, generally must be carried back 3 years, then forward 15 years. Illinois net losses in tax years **beginning after August 5, 1997, and ending prior to December 31, 1999**, generally must be carried back 2 years, then forward 20 years.

Effective for tax years ending **on or after December 31, 1996**, you may make the election to only carry the loss forward and forgo the Illinois NLD carryback period. This election should have been made on your timely filed original return. However, if your previously filed return was timely filed and showed income, and you are filing Form IL-843 to report

- a finalized federal change that eliminates your Illinois income and creates an Illinois net loss for the year, you may make the election to only carry the loss forward and forgo the carryback period by checking the box below Part II, Line 1a, or Part III, Line 1a, whichever line is appropriate for the return you are amending. **This election must be made within 120 days of IRS partial agreement or finalization. Once made, this election is irrevocable.**
- an Illinois audit or other Illinois change that eliminates Illinois income and creates an Illinois net loss for the year, you may make the election to only carry the loss forward and forgo the carryback period by checking the box below Part II, Line 1a, or Part III, Line 1a, whichever line is appropriate for the return you are amending. **This election must be made at the time the loss is first reported. Once made, this election is irrevocable.**

Do not file Form IL-843 to report an Illinois NLD until **after** you have filed the loss year return. When you file Form IL-843, you must attach a corrected copy of the return you are amending and a completed Illinois Schedule NLD. **Failure to attach the completed schedule could result in partial or total denial of your claim.**

**Note** Changes resulting from an Illinois NLD carryback from loss years ending **prior to December 31, 2003**, will not reduce or eliminate any penalties.

If you need further information,

- visit our web site at [www.ILtax.com](http://www.ILtax.com) and view the Illinois Income Tax Regulations, Sections 100.2050 and 100.2300 through 100.2330, or
- write to Illinois Department of Revenue, Legal Services Office, Senior Counsel - Income Tax, 5-500, 101 West Jefferson Street, Springfield, Illinois 62702, and request these sections of the Illinois Income Tax Regulations.

## What must I attach to my Form IL-843?

This form must contain a complete explanation of the reasons for filing the claim or amendment. You **must** attach a revised copy of the return you are amending and copies of any required schedules from that form (or reasonable facsimiles) to support your claim. If Form IL-843 is submitted without the proper attachments it may be partially or totally denied.

IL-843 (R-12/04)

If you are filing Form IL-843 because

- you filed a federal amended return and your tax due to Illinois decreases, you must include a copy of the federal form, plus any other related forms, schedules, or attachments.
- you filed a federal amended return and your tax due to Illinois increases, you must attach proof of the federal finalization date, showing the change was reported to Illinois within 120 days of IRS acceptance, or you may be assessed a late-payment penalty.
- of a change by the IRS, you must include all copies of the federal examining officer's reports, including preliminary, revised, corrected, and superseding reports.
- you copied information incorrectly from your federal tax return onto your Illinois return, you must include a copy of the appropriate pages of your federal return.
- of a change in, or audit of, another state's tax return, you must include a copy of the other state's corrected return or the examining officer's reports.
- of an Illinois net loss carryback, you must include a completed Illinois Schedule NLD.

Trusts, estates, exempt organizations, partnerships, and S corporations are required to attach a schedule showing the beneficiaries', partners' or shareholders' names, addresses, Social Security numbers, and the corrected amount of any item of income or deduction that enters into the computation of the Illinois tax liabilities.

## What if I need additional assistance or forms?

*If you need additional assistance,*

- visit our Web site at [www.ILtax.com](http://www.ILtax.com);
- call our Taxpayer Assistance Division at **1 800 732-8866 or 217 782-3336**;
- call our TDD (telecommunications device for the deaf) at **1 800 544-5304**; or
- write to us at P.O. Box 19044, Springfield, Illinois 62794-9044.

Our office hours are Monday through Friday, 8 a.m. to 5 p.m.

*If you need additional forms or schedules,*

- visit our Web site at [www.ILtax.com](http://www.ILtax.com);
- call our 24-hour Forms Order Line at **1 800 356-6302**; or
- write to us at P.O. Box 19010, Springfield, Illinois 62794-9010.

## Specific Instructions

Check the appropriate box and write the tax year you are amending in the space provided at the top of Form IL-843.

### Part 1: Provide the following information

**Line 1** — Print or type your name, current address, FEIN, and IBT number.

**Line 2** — Check the box if your name, address, FEIN, or IBT is different from your original return.

Check the box if you are filing this form only to report an increased net loss and this Form IL-843 is filed within 3 years of the due date, including extensions, of the original return.

### Line 3 — Check the appropriate box for the reason you are filing this return.

If you are amending due to a federal change, you **must** check the appropriate box for partial agreed or finalized and include the date of IRS finalization, **not** the date the federal change was filed. Please attach a dated copy of the federal examining officer's report. If you do not provide this date, you may be assessed penalties and interest incorrectly.

**Note** If you checked the box for a state change and you are amending in order to make the election to change the manner in which royalty income is treated for Illinois sales factor purposes, you **must** file Form IL-1118B-RE, Amended Partnership or Small Business Corporation Replacement Tax Return for Royalty Election. This election applies to tax years **ending before December 31, 1999**, only. **Do not** use Form IL-843 to make this election.

**Line 4** — Explain, in detail, why you are filing this amended form.

**Line 5** — Check the type of Illinois return you originally filed.

### Part 2: Report changes in your federal ordinary or taxable income

**Note** Complete Part 2 only if you are reporting a change in federal ordinary or taxable income; otherwise go to Part 3.

**Line 6** — Write your income as originally reported. Refer to your originally filed return to determine if this should be ordinary income or taxable income.

**Line 7** — Write your corrected income.

**Line 8** — Subtract Line 6 from Line 7. This is your net change.

### Part 3: Figure your refund or balance due

**Note** If you are filing this Form IL-843 only to report an increase in your Illinois net loss, do not complete this part.

**Line 11** — Write the tax paid with your original Illinois return.

**Line 12** — Write the total amount of any subsequent tax payments you made with a previously filed Form IL-843, or for any other reason (e.g., responding to a bill). Do not include any penalty and interest you previously paid.

**Line 14** — Write the total amount of any overpayment, credit, or refund (whether received or not) reported on your previously filed Illinois tax return. Do not include interest that you received.

**Lines 15 through 17** — Follow the instructions on the form. We will calculate any interest that may be due you and include it in your refund check. Any refund may be reduced to satisfy any outstanding liability.

**Note** Overpayments from Form IL-843 cannot be credited to estimated tax.

**Line 18** — Follow the instructions on the form. This is your amount of tax due that must be paid in full if \$1 or more. Make your check or money order payable to "**Illinois Department of Revenue**." We will compute any penalty or interest due and notify you.



**Note** We will apply all payments against tax first, penalty second, and interest third.

**Lines 19** — We will bill you for penalties and interest. If you prefer, you may calculate the penalties and interest you owe and write the total amount on this line. See “What are the penalties and interest?” and Publication 103, Uniform Penalties and Interest.

### Who should sign the return?

Your Form IL-843 must be signed by the fiduciary, partner, authorized officer, or corporate officer, whichever applies for the return you are amending. If you paid someone to prepare your return, that individual must also provide a handwritten signature, date the return, and provide his or her tax identification number. If the preparer is an employee or partner of a firm or corporation, he or she must also provide the firm's name, address, and instead of the preparer's taxpayer identification number he or she must provide the firm's FEIN. Self-employed preparers must check the “self-employed” box and provide their own name, address, and taxpayer identification number in the appropriate spaces.

**Be sure to attach all required copies of forms, schedules, and any powers of attorney.**

## What are the penalties and interest?

**Penalties** — You will owe

- a **late-filing penalty** if you do not file a processable return by the extended due date;
- a **late-payment penalty** if you do not pay the tax you owe by the original due date of the return;
- a **bad check penalty** if your remittance is not honored by your financial institution;
- a **cost of collection fee** if you do not pay the amount you owe within 30 days of the date printed on your bill.

**Interest** — Effective **January 1, 2004**, the basis for the rate of interest payable on underpayments or overpayments has been changed.

Under the old law, the interest rate is the “underpayment rate” set by the IRS under IRC, Section 6621.

Under the new law, the interest rate will be the “short-term federal rate” for the first year that the overpayment or underpayment accrues interest. This rate is also set by the IRS under IRC, Section 6621, and is 3% less than the “underpayment rate.” After one year, interest will accrue on any remaining balance at the the underpayment rate.

For example, if you failed to pay all of the income tax due on March 15, 2003, that underpayment will accrue interest at the “underpayment rate” until January 1, 2004, when the new law takes effect.

From January 1, 2004, to March 15, 2004, interest will accrue at the “short-term federal rate.” Then, from March 15, 2004, until the tax is paid, interest will accrue at the “underpayment rate.”

For returns due **on or after January 1, 2001**, interest is calculated on the tax from the day after the original due date of your return through the date you pay the tax.

For returns due on or after **January 1, 1994**, and on or before **December 31, 2000**, interest is calculated on tax and penalties from the day after the original due date of your return through the date you pay the tax and penalties.

For returns due **on or after July 1, 1986**, and on or before **December 31, 1993**, the interest rate is 9 percent per year. You may find the interest rates for all other tax years by calling us or visiting our web site (see “What if I need additional assistance or forms?”).

**Note** For more information about penalties and interest, see Publication 103, Uniform Penalties and Interest. To receive a copy of this publication, see “What if I need additional assistance or forms?” for our phone numbers and addresses.