



General Information

Should I file Form IL-1040-X?

You should file Form IL-1040-X, Amended Individual Income Tax Return, if you need to change a previously filed Form IL-1040, Individual Income Tax Return due to a change that affects items used to figure your Illinois net income or credits.

Your change can occur from a state change or a federal change, *i.e.*,

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

You should file Form IL-1040-X **only** after you have filed a processable Illinois Income Tax return. You must file a separate Form IL-1040-X for each tax year you wish to change. Do not file another Form IL-1040 with “amended” figures to change your originally filed Form IL-1040.

Note Do not file Form IL-1040-X if you are changing only your name, address, or Social Security number. Instead, forward this information to the address provided under “What if I need assistance?”.

Which revision of Form IL-1040-X should I use?

For amending tax years 2008 or after, use the form for the year you are amending. If you are amending your Form IL-1040 for 2007 or earlier, you must use the 10/08 revision of Form IL-1040-X (for 2007 and earlier tax years).

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-1040-X is being filed due to a state change or a federal change.

State change only – If your change decreases the tax due to Illinois and you want a refund, you must file an amended return (claim for overpayment) within

- three years after the extended due date,
 - three years after the date your original return was filed, or
 - one year after the date your Illinois tax was paid,
- whichever is latest.

If your change increases the tax you owe to Illinois, you should file a Form IL-1040-X and pay the tax, penalty, and interest as soon as you realize that it is owed.

Federal change (including NOLs) – 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 your Illinois tax, and you want a refund, you must file an amended return (claim for refund) within two years plus 120 days of federal finalization.

If your federal change increases your Illinois tax, you must file a Form IL-1040-X and pay any additional tax within 120 days of the federal finalization date, or you may be assessed a late-payment penalty.

Note Any Form IL-1040-X filed prior to the automatic extension date will be considered a “corrected” rather than an amended return and any penalties and interest may be refigured.

If you file an amended return after the extended due date, any penalty for late payment of estimated tax will remain as originally assessed.

You must file Form IL-1040-X, along with proper supporting documentation, for both corrected and amended returns.

Note If your amended return is filed incorrectly and additional liability is due, we must issue you a notice of deficiency within

two years from the date you filed Form IL-1040-X. If you fail to file an amended return when required, we may issue you a notice of deficiency at any time.

What if I have a net operating loss deduction?

In general, Illinois allows you to take the same net operating loss (NOL) carryback or carryforward deduction allowed on your federal income tax return. A carryback deduction is a “federal change” that reduces your federal adjusted gross income on Step 3, Line 1. Check the box marked “NOL” on Step 1, Line E, and indicate the date the IRS accepted your carryback deduction. This will usually be the date on which the IRS issued your refund check. You must file Form IL-1040-X within 2 years plus 120 days after that date to receive a refund.

Illinois does not allow you to deduct the same NOL twice. To prevent a double deduction of your NOL, your deduction for a tax year cannot be greater than the federal NOL available for deduction in that year minus the federal NOL available to carry to later years. This is the amount reported as “Modified Taxable Income” on federal Form 1045, Application for Tentative Refund, Schedule B, Line 9.

If you have NOL available to carry to next year, **attach** a copy of your federal Form 1045 Schedule B.

If you are a resident in the year you are allowed a federal NOL deduction, Illinois allows you to deduct the entire amount even if you were not a resident in the year the loss occurred. If you are a nonresident or part-year resident in the year you are allowed the federal NOL deduction, see the instructions for Step 3, Line 19, of Illinois Schedule NR, Nonresident and Part-Year Resident Computation of Illinois Tax.

Example: In tax year 2009, Paul Taxpayer, a nonresident individual, has \$20,000 in federal net losses from Partnership A and \$180,000 in net losses from Partnership B. He has \$100,000 in income from other sources, so his adjusted gross income for 2009 is a net operating loss of \$100,000. Federally, Paul Taxpayer carries the entire \$100,000 loss back to 2007.

Ten percent of the \$100,000 net operating loss deduction for 2007 is attributable to Partnership A (Partnership A’s \$20,000 loss in 2009 is divided by the \$200,000 in total losses incurred from partnerships in 2009) and 90 percent of the net operating loss deduction is attributable to Partnership B. See the Schedule NR Instructions for Step 3, Line 19, to determine the amount of each partnership’s net operating loss deduction amount that is allocated or apportioned to Illinois.

What should I attach to Form IL-1040-X when claiming a NOL?

In order to support a refund claimed as a result of a finalized federal NOL carryback, you must attach the following information:

- a copy of your U.S. 1040X, Amended U.S. Individual Income Tax Return, or U.S. 1045 including any Schedules A and B and
- a copy of any refund check and any other notification you received from the IRS stating that they accepted the changes shown on your U.S. 1040X or U.S. 1045.

In addition, if you were a nonresident or part-year resident of Illinois in the carryback year, you must also attach

- copies of the U.S. 1040, Pages 1 and 2, and Schedules C, E, and F filed for the **loss year**. Include supporting information that identifies the partnerships and S corporations (names and FEINs) whose losses are included in Schedules C, E and F and the amount of loss incurred by each entity.
- copies of Schedule K-1-P or other documentation for the **carryback year** for each partnership or S corporation through which you incurred an NOL in the loss year and that identifies each entity’s apportionment formula for the carryback year.

If you fail to attach the required information to your Form IL-1040-X, your refund may be delayed or denied.

What is my exemption allowance?

You may generally claim a \$2000 exemption for yourself and each of your dependents. The additional exemption allowance for taxpayers and their spouses who are 65 years of age or older or who are legally blind is \$1,000. See the Form IL-1040 instructions for details.

What must I attach to my Form IL-1040-X?

If you are filing Form IL-1040-X because

- you filed a U.S. Form 1040X to report a federal change other than a NOL carryback, you must include a copy of that form and a copy of the notification you received from the IRS stating that they accepted the changes shown on your U.S. Form 1040X; *e.g.*, a refund check, "Statement of Account," agreement, or judgment. If you do not have a copy of this notification, please contact the IRS at 1 800 829-0922 to request a record of your account.
- of a change made by the IRS, you must include copies of all the federal examining officer's reports, including preliminary, revised, corrected, and superseding reports.
- of any other changes, see the instructions for Form IL-1040 and any schedules to see what to attach.

Note If the change you are making requires a supporting schedule or form, you must attach it to your Form IL-1040-X. **Without proper attachments, we may partially or totally deny your claim.**

Note Keep all state and federal forms with your tax records. You must send us additional information if we request it.

What if my claim is denied?

If we deny your refund claim by a written notice of denial, you may file a written protest within 60 days and request a hearing. If you do not hear from us within six months after you have filed your claim, you may file a written protest at any time and request a hearing.

What if I need assistance?

If you need assistance,

- visit our web site at tax.illinois.gov,
- 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 the Illinois Department of Revenue, P.O. Box 19044, Springfield, Illinois 62794-9044.

What if I need additional forms or schedules?

If you need additional forms or schedules,

- visit our web site at tax.illinois.gov,
- call our 24-hour Forms Order Line at **1 800 356-6302**, or
- write to us at the Illinois Department of Revenue, P.O. Box 19010, Springfield, Illinois 62794-9010.

Step-by-Step Instructions

Note You must file a separate Form IL-1040-X for each year you are amending.

Step 1: Personal information

Line A – Print or type your Social Security number(s), name(s), and current address.

Line B – Check the box if your Social Security number(s), name(s), or address are different on this return than on any previously filed return.

Line C – Check the box to indicate your filing status. If your filing status is different from your previously filed return, explain your change in Step 2, Line H.

Note In general, most taxpayers should use the same filing status as on their federal return. However,

- if you are married, you filed a joint federal return, and you are an injured spouse (*e.g.*, your spouse owes a liability, for which you are not responsible, to a government agency), you should file separate Illinois returns using the "married filing separately" filing status. If you file a joint Illinois return, we may take the entire refund to pay your spouse's liability. If you did not make this election on your original Form IL-1040, you may file Form IL-1040-X to make or revoke this election only if the extended due date of the return has not passed, and once the election is made it is irrevocable.
- if either you or your spouse is an Illinois resident and the other is a part-year resident or nonresident, and you elect to file a joint return, you will both be treated as residents. If you originally filed a joint return, but did not treat both yourself and your spouse as Illinois residents, you must correct that error by either filing a joint Form IL-1040-X treating yourselves as Illinois residents or by filing separate IL-1040-X forms, even if the extended due date has passed. If you file separate IL-1040-X forms, each spouse must list his or her own income separately even if one spouse did not have any Illinois income. Any spouse filing as a nonresident or part-year resident must also attach a completed Schedule NR.
- if you filed your federal return using the "married filing separately" filing status, you must file your Illinois return using the same filing status.

Line D – Check the appropriate box. If you check the nonresident or part-year resident box, attach a completed Schedule NR.

Line E – Check the box that describes your change. The date needed for federal and NOL changes is the date of federal finalization, not the date you filed your U.S. 1040X.

Step 2 – Reason for filing (Everyone filing this return must complete this step.)

Lines F through H – Follow the instructions on the form.

Step 3: Financial information

The line numbers on your Form IL-1040-X may not match the line numbers on your original return.

If you filed Schedule CR, Credit for Tax Paid to Other States; Schedule NR; or Schedule ICR, Illinois Credits, with your original Form IL-1040 or previously filed Form IL-1040-X, you must complete and attach corrected schedules. For each change you make, you must give an explanation in Step 2, Line H.

Corrected figures

Complete this column using your corrected figures, following the instructions for each line.

Income – Lines 1 through 4

Line 1 – Adjusted gross income: If your adjusted gross income is changing due to a federal change, you must attach proof of federal finalization.

Note If you are changing Line 1 to take an NOL deduction, see "General Information" for additional details.

Line 2 – If you are changing the amount on this line, see the Form IL-1040 Instructions.

Line 3 – You must provide an explanation in Step 2, Line H, if this is a change to your previously filed return.

Complete Schedule M, Other Additions and Subtractions for Individuals, and write the total addition amount from Schedule M.

Subtractions – Lines 5 through 7

Any changes that you make to the subtractions on Lines 5 through 7 require corrected support for that line. See Form IL-1040-X for a list of supporting documents that you must attach. You must also provide an explanation in Step 2, Line H, if this is a change to your previously filed return.

Line 7 – Complete Schedule M, and write the total subtraction amount from Schedule M.

Lines 8 and 9 – Follow the instructions on the form.

Exemptions – Line 10

Line a – Write the total number of exemptions for yourself and your dependents, as corrected.

Line b – Write the total number of exemptions for being 65 or older or blind, as corrected.

Line c – Follow the instructions on the form.

If you change the number of your exemptions, you must explain the reason, in detail, in Step 2, Line H.

Note See the IL-1040 instructions for more information.

Attach a copy of your original federal return or amended U.S. Form 1040X that supports the exemption change.

Net Income – Lines 11 and 12

Line 11 – Residents: Figure your net income by subtracting Line 10c from Line 9, and write the result.

Line 12 – Nonresidents and part-year residents: Write your Illinois base income from Schedule NR, Step 5, Line 46. **Attach** Schedule NR with amended figures.

Total Tax – Lines 13 through 15

Line 13 – Residents: Multiply your net income on Line 11 by 3% (.03). **Nonresidents and part-year residents:** Write the corrected tax before recapture of investment credits from Schedule NR, Step 5, Line 52.

Line 14 – If you are recapturing investment credits, write the amount from Schedule 4255, Recapture of Investment Tax Credits.

Lines 15 and 16 – Follow the instructions on the form.

Nonrefundable Credits – Lines 17 through 21

Line 17 – If you claimed a credit for tax paid to other states on your previously filed return or if you are filing Form IL-1040-X because you qualified for this credit but did not previously claim it, you must correct or complete Schedule CR and attach it.

Line 18 – If you claimed property tax and K-12 education expense credit from Schedule ICR on your previously filed return or if you are filing Form IL-1040-X because you qualified for this credit but did not previously claim it, you must correct or complete Schedule ICR and attach it to your Form IL-1040-X.

Line 19 – If you claimed a credit from Schedule 1299-C on your previously filed return or if you are filing Form IL-1040-X because you qualified for this credit but did not previously claim it, you must correct or complete Schedule 1299-C and attach it to your Form IL-1040-X.

Lines 20 and 21 – Follow the instructions on the form.

Note A change in your tax may result in a change to the credits allowed on Lines 17, 18, and 19.

Previous Overpayments – Lines 22 and 23

Line 22 – Write the total amount of

- **all previous** overpayments, refunds, and credit carryforward from your original Illinois Income Tax return, previously filed Form IL-1040-X, or for any other reason. Do not include interest that you have received.

- **your original voluntary contributions** to state funds. You may not change the amount of your voluntary contributions to state funds made on your original Illinois Income Tax return.

Line 23 – Follow the instructions on the form.

Payments and refundable credits – Lines 24 through 29

Line 24 – If the amount of your Illinois Income Tax withheld changes from your previously filed return, attach copies of all W-2 forms.

Line 25 – Write the total of estimated tax payments you made with Form IL-1040-ES, payments made with Form IL-505-I, and previous overpayment that was credited to the year you are changing.

Line 26 – Write the amount of pass-through entity payments made on your behalf by a partnership, S-corporation, or trust. Attach Schedule K-1-P or K-1-T if payments were made on your behalf but you did not previously claim them. Attach corrected Schedule K-1-P or K-1-T, if you are amending the amount of previously claimed credit.

Line 27 – If you claimed an Earned Income Tax credit on your previously filed return or if you are filing Form IL-1040-X because you qualified for this credit but did not previously claim it, you must correct or complete Schedule ICR, and attach it to your Form IL-1040-X.

Line 28 – If you made payments with your Form IL-1040, previously filed Form IL-1040-X, or for any other reason (*i.e.*, paying your electronic return balance due or responding to a notice or a bill), write the total of all tax payments made.

Line 29 – Follow the instructions on the form.

Step 4: Refund or balance due

Line 30 – Follow the instructions on the form. We will figure any interest due to you and include it in your refund check.

Note You may **not** request any overpayment to be credited to estimated tax.

Line 31 – Follow the instructions on the form.

Line 32 – We encourage you to let us figure the amount of any penalties and interest you owe, and send you a bill for any amount due. However, if you prefer, you may figure the penalties and interest you owe yourself. For more information, see Publication 103, Penalties and Interest for Illinois Taxes. To receive a copy of this publication, see “What if I need additional forms or schedules?” on Page 2.

Penalties and Interest

The following penalties must be paid unless you can show that the failure to timely file or pay is due to reasonable cause and not due to willful neglect.

You may owe

- **a late-filing penalty** if you do not file a processable return by the extended due date.

Note Changes resulting from a net operating loss (NOL) or capital loss carryback will not affect this penalty.

- **a late-payment penalty** if you do not pay the tax you owe (including estimated payments) on time.

Note If you file an amended return before the extended due date, this penalty will be adjusted based on the newly reported tax. Also, tax required to be shown on the return that was not previously reported is subject to this penalty if not paid by the original due date of the return. Changes resulting from a net operating loss (NOL) or capital loss carryback will not affect this penalty.

If you are filing to report a federal change, this penalty will not be assessed if you file Form IL-1040-X and pay the tax you owe within 120 days of the federal acceptance date shown in Step 1, Line E.

- 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 any bill, we send you.
- **interest** on unpaid tax from the day after the original due date of your return through the date you pay the tax.

Note If you received interest on the refund from your original Illinois Income Tax return or a previously filed amended return and you file an amended return that either reduces the original refund amount or results in a balance due, you must pay back the interest on the portion of the refund that you received in error.

Lines 33 and 34 – Follow the instructions on the form.

Step 5 – Sign and date

Sign and date your return. If you have filed jointly, your spouse must also sign the return. If you are filing for a minor, as a parent or guardian, you must sign the return. Staple all required copies of forms and schedules, powers of attorney, and letters of estate or office to the back of the return. If you paid someone to prepare your return, that individual must also sign and date the return and provide his or her tax identification number and a daytime phone number.