



Step 1: Provide the following information

Your name as shown on your Form IL-1040

Your Social Security number

Step 2: Provide the following information

Check the appropriate box and complete the remainder of the line, if applicable.

- 1 My wages are exempt from Illinois Income Tax because I am living in Illinois only because my spouse is in the military and is stationed in Illinois, and during 2009 we were both residents of _____ (write the two-letter abbreviation of that state).
- 2 My spouse and I are residents of Illinois. My spouse is in the military and was stationed in another state during 2009, and my wages from employment in that state are exempt from taxation by that state, due to the federal Military Spouses Residency Relief Act. I qualify for relief from late payment penalty for any failure to timely pay Illinois Income Tax on those wages.

Note If you filed refund claims with the other state, we will extend your payment due date until October 15, 2010, or until you receive your refund from the other state, whichever is earlier.

General Information

Who can use Schedule MR?

The federal Military Spouses Residency Relief Act has extended certain residency protections to spouses of military members. Spouses of military members can use Schedule MR if the conditions below apply.

Under this act, a spouse's state of residence does not change when he or she moves to a new state because the service member is stationed in the new state. Also, the spouse cannot be taxed by the new state on employee wages earned in that state. These protections apply only if the spouse and the service member are residents of the same state.

When should I use Schedule MR if I am not an Illinois resident?

You should use Schedule MR if

- your spouse is a member of the military who is stationed in Illinois, but is not an Illinois resident,
- you are a resident of the same state as your spouse, and
- you earned income by working in Illinois.

In this case, you are not taxed on wages you earned in Illinois. You must complete Schedule MR, checking box 1, and attach it to your Form IL-1040, Individual Income Tax Return, along with Schedule NR, Nonresident and Part-Year Resident Computation of Illinois Tax, to claim your exemption from tax on your wages and to get a refund of any taxes withheld by your Illinois employer.

Note The exemption for wages from civilian employment applies only to spouses, not to the member of the military. Members of the military remain subject to Illinois Income Tax on wages received from civilian employment in Illinois.

How do I stop my employer from withholding Illinois tax if I am a nonresident military spouse?

You should complete Form IL-W-5-NR, Employee's Statement of Nonresidence in Illinois, and give it to your Illinois employer so they do not withhold Illinois tax from your wages.

When should I use Schedule MR if I am an Illinois resident?

You should use Schedule MR if

- you and your spouse were Illinois residents during 2009,
- you earned wages in another state that are exempt from tax by that state under the Military Spouses Residency Relief Act,
- you are entitled to a refund of the taxes withheld by your employer for the other state, and
- you owe more Illinois tax because you will no longer owe tax to the other state and will not get a credit on the Illinois return for tax paid to the other state.

You should also use Schedule MR if you wish to request permission to delay payment of your Illinois tax until you receive your refund from the other state(s).

Note If you are an Illinois resident, you must pay Illinois income tax on all of your wages, regardless of where they were earned, except military pay that is exempt from Illinois tax. If the member of the military earned wages as a civilian employee in another state, they are entitled to a credit against Illinois income tax for any taxes paid to that state.

Complete Schedule MR, checking box 2, and attach it to your Form IL-1040 to claim exemption from any penalties that would otherwise result from late payment of your tax.

What should I do to my Form IL-1040 if I am attaching Schedule MR?

Write "Military Spouse" in red ink across the top of the front page of your Form IL-1040.

What should I attach to my Form IL-1040 if I am using Schedule MR?

Attach the service member's military W-2 form to your Form IL-1040, even if you are filing separate returns.

How should I make my payment?

If you do not pay with Form IL-1040 and wish to pay when you receive your refund from the other state, complete Form IL-1040-V and send it, along with your payment, to the address listed on the IL-1040-V. Be sure to write your Social Security number(s) on your payment. Form IL-1040-V is available at tax.illinois.gov.

