



What's new for 2011?

- The Research and Development Credit scheduled to expire December 31, 2010, has been extended through tax years ending on or before December 31, 2015. If you are a fiscal year filer and did not claim any Research and Development Credit on your return for a tax year ending in 2011, you may amend your return for that tax year to claim the credit, as if the credit never expired.
- **Short-year filers:** For tax years beginning on or after **January 1, 2012**, a **Live Theater Production Tax Credit** and a **River Edge Historic Preservation Credit** are available. These credits are administered by DCEO, cannot reduce your tax liability below zero, and provide a five-year carryforward for any excess credit unused in the earned year.
- Any tax credit scheduled to expire in 2011, 2012, and 2013, as required in the Illinois Income Tax Act, has been extended by adding five years to the named expiration date.
- For tax years beginning on or after **January 1, 2011**, and ending on or before **December 31, 2016**, an **Angel Investment Credit** may be claimed in an amount equal to 25 percent of an investment made directly in a qualified new business.
- **The New Markets Credit is allowed for qualified investments made between 2008 and 2017** in a community development entity. Credits are allowed on the second anniversary of the investment (tax years ending on or after December 31, 2010), and the next four anniversaries. The credit may not reduce tax below zero and may be carried forward for five years. See Specific Instructions for more information.
- For tax years beginning on or after **January 1, 2010**, the Veterans Jobs Credit has been increased to the lesser of 10 percent of wages or \$1,200 per qualifying employee.

General Information

Who must file Form IL-1041?

You must file Form IL-1041 if you are a fiduciary of a trust or an estate and the trust or the estate

- has net income or loss as defined under the Illinois Income Tax Act (IITA), regardless of any deduction for distributions to beneficiaries; or
- is a resident of Illinois and files, or is required to file, a federal income tax return (regardless of net income or loss). (See "When is nonbusiness income allocable to Illinois" to help you complete your Form IL-1041.); or
- is a nonresident of Illinois but received income from Illinois sources. You must also file Illinois Schedule NR (Form IL-1041), Nonresident Computation of Fiduciary Income, to determine the income that is taxed by Illinois during the tax year. For more information, see Illinois Schedule NR (Form IL-1041) with revision date 12/08 or later.

Note → "Grantor" trusts are not required to file Form IL-1041. Estates do not pay replacement tax.

If the trust or estate is a charitable organization exempt from federal income tax by reason of IRC Section 501(a), it is not required to file Form IL-1041. However, unrelated business taxable income, as determined under IRC Section 512, is subject to tax (without any deduction for the Illinois income tax) and must be reported on Form IL-990-T, Exempt Organization Income and Replacement Tax Return, instead of Form IL-1041. For more information, see Form IL-990-T instructions.

What forms must I use?

In general, you must obtain and use forms prescribed by the Illinois Department of Revenue. Separate statements not on forms provided or approved by the department will not be accepted and you will be asked for appropriate documentation.

Failure to comply with this requirement may result in failure to file penalties, delay the processing of your return, or generating any refund. Additionally, failure to submit appropriate documentation when requested may result in a referral to our Audit Bureau for compliance action.

Trusts and Estates must complete Form IL-1041. Do not send a computer printout with line numbers and dollar amounts attached to a blank copy of the return. Computer generated printouts are not acceptable, even if they are in the same format as the department forms. Computer generated forms from a department-approved software developer are acceptable.

How do I register my business?

If you are required to file Form IL-1041, you should register by calling our Central Registration Division at **217 785-3707**. You may be able to register electronically. Visit our web site at **tax.illinois.gov** for more information.

Registering with the Illinois Department of Revenue (IDOR) **prior to filing your return** ensures that your tax returns are accurately processed.

Your identification numbers as an Illinois business taxpayer are your federal employer identification number (FEIN) and your Illinois account number.

When should I file?

Your Illinois filing period is the same as your federal filing period. In general, Form IL-1041 is due on or before the 15th day of the **4th** month following the close of the tax year.

Automatic six-month extension — We grant you an automatic six-month extension of time to file your fiduciary tax return. You are not required to file Form IL-505-B, Automatic Extension Payment, in order to obtain this automatic extension. However, if

you expect tax to be due, you must use Form IL-505-B to pay any tentative tax due in order to avoid interest and penalty on tax not paid by the original due date of the return. An extension of time to file your Form IL-1041 is not an extension of time for payment of Illinois tax.

Additional extensions beyond the automatic extension period — We will grant an extension of more than six months **only** if an extension of more than six months is granted by the Internal Revenue Service (IRS). You must attach a copy of the approved federal extension to your Form IL-1041.

When should I pay?

Payment of tax — You must pay your Illinois Income and Replacement Tax in full on or before the original due date of the return. This payment date applies even though an automatic extension for filing the return has been granted.

Estimated tax payments — **For state purposes, trusts and estates are not required** to make estimated payments, although they may be required to make **federal** estimated payments. You may, however, make such payments on Form IL-1120-ES, Estimated Income and Replacement Tax Payments for Corporations, and include them on Form IL-1041, Step 7, Line 50c.

Do not use Form IL-1040-ES, Estimated Income Tax Payments for Individuals, to make these payments. Doing so may delay the processing of your return.

Who should sign the return?

Your Form IL-1041 must be signed by the fiduciary of the trust or estate. If there are two or more joint fiduciaries, the signature of one will comply with the requirements of the IITA. The signature verifies by written declaration (and under penalties of perjury) that the signing fiduciary has personally examined the return and the return is true, correct, and complete. The fact that a fiduciary's name is signed to a return is prima facie evidence that the fiduciary is authorized to sign the return on behalf of the trust or estate.

Any person paid to prepare the return (other than a fiduciary of the trust or estate, or a regular, full-time employee of the taxpayer, such as a clerk, secretary, or bookkeeper) must provide a signature, date the return, and write the preparer's taxpayer identification number. If the preparer is an employee or partner of a firm or corporation, the preparer must also provide the firm's name, address, and instead of the preparer's taxpayer identification number, the preparer must provide the firm's FEIN. Self-employed preparers must provide their own name, address, and taxpayer identification number in the appropriate spaces.

Note — If your return is not signed, any overpayment of tax is considered forfeited if, after notice and demand for signature, you fail to provide a signature within three years from the date your return was filed.

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 — Interest is calculated on tax from the day after the original due date of your return through the date you pay the tax.

We will bill you for penalties and interest. For more information about penalties and interest, see Publication 103, Penalties and Interest for Illinois Taxes. To receive a copy of this publication, see "What if I need additional assistance or forms?" for our phone numbers and addresses.

What if I am discontinuing my business?

Terminated — If you are the fiduciary of a trust or estate that has terminated during any tax year, you are still required to file the tax return. Also, we will pursue the assessment and collection of taxes if

- the trust or estate was liable for income and replacement tax for that or any previous tax period; or,
- the beneficiaries had income allocable to Illinois and were liable for income and replacement tax for that or any previous tax period, due to a distribution from the trust or estate.

Sales or transfers — If you are a fiduciary that, outside the usual course of business, sells or transfers the major part of any one or more of

- the stock of goods which you are in the business of selling,
- the furniture or fixtures of your business,
- the machinery and equipment of your business, or
- the real property of your business,

you or the purchaser must complete and send us Form CBS-1, Notice of Sale or Purchase of Business Assets, no later than 10 days after the date the sale took place. Mail this form, along with copies of the sales contract and financing agreement, to

**ILLINOIS DEPARTMENT OF REVENUE
BULK SALES UNIT
100 WEST RANDOLPH
CHICAGO IL 60601**

Request for prompt determination — You may make a request for prompt determination of liability if you are an estate that has terminated. A completed tax return must be on file with us before you can submit a request for prompt determination. Do not submit your return and request at the same time. Mail your initial return to the address indicated on the form. You should allow 12 weeks for processing. If your request is properly made, the expiration of the statute of limitations (absent fraud) will not extend beyond 18 months from the date of your request. Mail your request and a copy of your previously submitted return to

**ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19044
SPRINGFIELD IL 62794-9044**

What if I need to correct or change my return?

If you need to correct or change your return after it has been filed, you must file Form IL-1041-X, Amended Partnership Replacement Tax Return. Returns filed before the extended due date of the return are treated as your original return for all purposes. For more information see Form IL-1041-X instructions.

You should file Form IL-1041-X only after you have filed a processable Illinois Income Tax return. You must file a separate Form IL-1041-X for each tax year you wish to change. Do not file another Form IL-1041 with "amended" figures to change your originally filed Form IL-1041.

State changes only — File Form IL-1041-X, promptly, if you discover an error on your Illinois return that does not relate to an error on your federal return but was caused by

- a mistake in transferring information from your federal return to your Illinois return;
- failing to report or misreporting to Illinois an item that has no effect on your federal return; or
- a mistake in another state's tax return that affects the computation of your Illinois tax liability.

If you are claiming an overpayment, Form IL-1041-X must be filed within three years after the extended due date or the date the return was filed, or within one year after the tax giving rise to the overpayment was paid, whichever is latest.

Federal changes only — File Form IL-1041-X if you have filed an amended federal return or if you have been notified by the IRS that they have made changes to your return. This includes any change in your federal income tax liability, any tax credit, or the computation of your federal taxable income as reported for federal income tax purposes if the change affects any item entering into the computation of net income, net loss, or any credit for any year under the IITA. You must file Form IL-1041-X no later than 120 days after the federal changes have been agreed to or finally determined to avoid a late-payment penalty.

If you are filing Form IL-1041-X to claim an overpayment resulting from a federal change, it must be filed within two years after the date such notification was due (regardless of whether such notice was given).

Attach a copy of federal finalization or proof of acceptance from the IRS to your Form IL-1041-X. Examples of federal finalization include a copy of one or more of the following items:

- your federal refund check
- your audit report from the IRS
- your federal transcript verifying your federal taxable income

What records must I keep?

You must maintain books and records to substantiate any information reported on your Form IL-1041. Your books and records must be available for inspection by our authorized agents and employees.

Do the IDOR and the IRS exchange income tax information?

The IDOR and the IRS exchange income tax information for the purpose of verifying the accuracy of information reported on federal and Illinois tax returns. All amounts you report on Form IL-1041 are subject to verification and audit.

Should I round?

You must round the dollar amounts on Form IL-1041 and accompanying schedules to whole-dollar amounts. To do this, you should drop any amount less than 50 cents and increase any amount of 50 cents or more to the next higher dollar.

What if I have an Illinois net loss deduction (NLD)?

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

To determine your "Illinois net loss" start with federal taxable income and apply all addition and subtraction modifications and all allocation and apportionment provisions.

Illinois net losses incurred in tax years ending on or after December 31, 2003, may only be carried forward for 12 years. If you are carrying an Illinois NLD, you must complete Illinois Schedule NLD, Illinois Net Loss Deduction, and claim the deduction on Step 4, Line 30. See specific instructions for Step 4, Line 30.

If you had discharge of indebtedness income for a taxable year ending on or after December 31, 2008, and all or a portion of this income was excluded from your federal gross income due to bankruptcy or insolvency, then you may be required to reduce any Illinois net loss you incurred for that year or Illinois net loss carryovers to that year before you determine your Illinois NLD. See the Step 4 Instructions and Schedule NLD for more information.

If you have an Illinois net loss for this tax year, you must file Form IL-1041 reporting the loss in order to carry the loss forward to another year.

If you need more information, view the Illinois Income Tax Regulations, Sections 100.2050 and 100.2300 through 100.2330. These sections may be obtained by visiting our web site at tax.illinois.gov.

What is the standard exemption?

The standard exemption is \$1,000 multiplied by a fraction in which the numerator is your base income allocable to Illinois and the denominator is your total base income. If you have a change in your tax year end and the result is a period of less than 12 months, the standard exemption is prorated based on the number of days in the tax year. If this is your first or final return, you are allowed the full-year standard exemption. If you need further information, see IITA, Section 401(b).

What attachments do I need?

When filing your return there are certain types of income items and subtraction modifications that require the attachment of Illinois or federal forms and schedules. Instructions for these attachments appear throughout the specific instructions for completing your return.

Note All Illinois forms and schedules include an "IL Attachment No." in the upper right corner of the form. Required attachments should be ordered numerically behind the tax return, as indicated by the IL Attachment No. Failure to attach forms and schedules in the proper order may result in processing delays. Required copies of documentation from your federal return should be attached **behind the completed Illinois return**.

Note When filing your Form IL-1041 include only forms and schedules required to support your return. Send correspondence separately to

**ILLINOIS DEPARTMENT OF REVENUE
TAXPAYER CORRESPONDENCE
PO BOX 19044
SPRINGFIELD IL 62794-9044**

Definitions to help you complete your Form IL-1041.

Resident means

- an individual who is present in Illinois for other than a temporary or transitory purpose;
- an individual who is absent from Illinois for a temporary or transitory purpose but who is domiciled in Illinois;
- the estate of a decedent who at his or her death was domiciled in Illinois;
- a trust created by a will of a decedent who at his or her death was domiciled in Illinois; or
- an irrevocable trust, whose grantor was domiciled in Illinois at the time the trust became irrevocable. For purposes of this definition, a trust is irrevocable to the extent that the grantor is not treated as the owner of the trust under IRC Sections 671 through 678. For a more detailed explanation of “domicile” and “resident,” see Form IL-1040, Illinois Individual Income Tax Return, General Instructions.

Nonresident means a person who is not a resident of Illinois, as defined previously.

Note In the following definitions, all references to “income” include losses.

Illinois base income is your federal taxable income, plus any additions on Lines 2 through 10, less any subtractions on Line 25. See specific instructions for Steps 2 and 3.

Business income means all income (other than compensation) that may be apportioned by formula among the states in which you are doing business without violating the Constitution of the United States. All income of a trust or estate is business income unless it is clearly attributable to only one state and is earned or received through activities totally unrelated to any business you are conducting in more than one state. Business income is net of all deductions attributable to that income.

Nonbusiness income means all income other than business income or compensation. For more information about the different types of nonbusiness income, see the instructions for Illinois Schedule NB, Nonbusiness Income.

When is business income allocable to Illinois?

If the trust or estate is a resident, all income received, regardless of source, is allocable to Illinois.

If the trust or estate is a nonresident and business income is derived

- wholly inside Illinois, the entire amount of business income is allocable to Illinois;
- wholly outside of Illinois, none of the business income is allocable to Illinois;

- inside and outside of Illinois, complete Illinois Schedule NR (Form IL-1041), Nonresident Computation of Fiduciary Income, Step 6. See the instructions for Illinois Schedule NR (Form IL-1041), Step 6.
- from subchapter S corporations, partnerships, and other fiduciaries, the business income may be allocable to Illinois. See the Illinois Schedule K-1-P, Partner's or Shareholder's Share of Income, Deductions, Credits, and Recapture, furnished by the subchapter S corporation or partnership or the Illinois Schedule K-1-T, Beneficiary's Share of Income and Deductions, furnished by the other fiduciary to determine what income is allocable to Illinois.

When is nonbusiness income allocable to Illinois?

If the trust or estate is a resident, all nonbusiness income is allocable to Illinois.

If the trust or estate is a nonresident, items of income and deduction which constitute nonbusiness income are allocable to Illinois according to the following rules:

- **Interest and dividend income** received by a nonresident trust or estate is not allocable to Illinois.

Net rents and royalties

Real property — Rents and royalties from real property are allocable to Illinois if the property is located in Illinois.

Tangible personal property — Rents and royalties from tangible personal property are allocable to Illinois to the extent the property is used in Illinois. The extent of use of tangible personal property in a state is determined by multiplying the rents and royalties derived from the property by a fraction, in which the numerator is the number of days the property is located in the state during the rental and royalty period in the tax year and the denominator is the total number of days during all rental or royalty periods in the tax year.

- **Patent and copyright royalties** are allocable to Illinois to the extent the patent or copyright is used in Illinois.

A **patent** is used in Illinois to the extent that it is employed in production, fabrication, manufacturing, or other processing in Illinois or to the extent that a patented product is produced in Illinois.

A **copyright** is used in Illinois to the extent that printing or other publication originates in Illinois.

- **Gains and losses** from sales or exchanges of real or tangible property are in Illinois if the property is located in Illinois at the time of the sale or exchange. Gains or losses from the sale or exchange of intangible personal property are not allocable to Illinois.
- **Income from subchapter S corporations, partnerships and other fiduciaries** paid to the trust or estate is allocable to Illinois as if the trust or estate received it directly. See the Illinois Schedule K-1-P furnished by the subchapter S corporation or partnership or the Illinois Schedule K-1-T furnished by the other fiduciary to determine what income is allocable to Illinois.
- **Illinois State lottery winnings** received by a nonresident fiduciary are allocable to Illinois.
- **Other unspecified items** of income or deduction of a nonresident taxpayer are not allocable to Illinois.

What does taxable in other states mean?

Taxable in other states means you are subject to and actually pay “tax” in another state. “Tax” means net income tax, franchise tax measured by net income, or franchise tax for the privilege of doing business. You are considered taxable in another state if that state has jurisdiction to subject you to a net income tax, even though that state does not impose such a tax. This definition is for purposes of allocating nonbusiness income and apportioning business income inside or outside Illinois.

What is the fiduciary’s share or beneficiary’s share of income?

The fiduciary’s share of an item of income or deduction is that amount required to be taken into account in computing fiduciary taxable income for federal income tax purposes for the tax year and is not paid, credited, or required to be distributed to the beneficiaries of the trust or estate for that year. The fiduciary’s share of each of the addition and subtraction items required under the IITA is that part of each item that relates and is attributable to the fiduciary’s share of the items of income and deduction.

The beneficiary’s share of each of the items is the amount that was properly paid, credited, or required to be distributed to the beneficiary for the tax year. The items of income and deduction and the additions and subtractions that are deemed to have been paid, credited, or distributed must be taken into account by the beneficiaries in proportion to their respective shares of the distributable net income.

When must I use Illinois Schedules K-1-T and D?

You must use **Illinois Schedule K-1-T** to supply each beneficiary with that individual’s or entity’s share of the amounts reported on your federal and Illinois tax returns. For Illinois Income Tax purposes, you must give a completed Illinois Schedule K-1-T and a copy of the **Illinois Schedule K-1-T(2)**, Beneficiary’s Instructions, to each beneficiary. **Do not file copies of Illinois Schedule K-1-T that you issued to your beneficiaries with your Form IL-1041.** However, you must keep a copy of each Illinois Schedule K-1-T with your tax records. See Illinois Schedule K-1-T(2) Instructions for more information.

You must use **Illinois Schedule D**, Beneficiary Identification, to supply us with a listing of your beneficiaries. You **must** file Illinois Schedule D with your Form IL-1041.

Note If you need Illinois Schedule K-1-T, see “What if I need additional assistance or forms?” for our phone numbers and addresses.

What if the trust makes an accumulation or capital gain distribution?

If the trust makes an accumulation distribution or a capital gain distribution (both as defined in IRC Section 665), the portion of the distribution included in the income of a nonresident or part-year resident beneficiary (under IRC Sections 668 and 669) is taxable to the extent that the trust income was allocable to Illinois before distribution.

What if I participated in a reportable transaction?

If you participated in a reportable transaction, including a “listed transaction,” during this tax year and were required to disclose that transaction to the IRS, you are also required to disclose that information to Illinois.

You must send us two copies of the form used to disclose the transaction to the IRS.

- Attach one copy to your tax return, and
- Mail the 2nd copy to

**ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19029
SPRINGFIELD IL 62794-9029**

Where should I file?

If a payment is enclosed with your return, mail your Form IL-1041 to

**ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19053
SPRINGFIELD IL 62794-9053**

If a payment is **not** enclosed, mail your Form IL-1041 to

**ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19009
SPRINGFIELD IL 62794-9009**

What if I need additional assistance or forms?

If you need additional assistance -

- Visit our web site at tax.illinois.gov.
- Write to us at

**ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19044
SPRINGFIELD IL 62794-9044**

- Call **1 800 732-8866** or **217 782-3336** (TDD, telecommunications device for the deaf, at **1 800 544-5304**).

Our office hours are 8:00 a.m. to 5:00 p.m., Monday through Friday.

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**.
- Write to us at

**ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19010
SPRINGFIELD IL 62794-9010**

Specific Instructions

Specific instructions for most of the lines are provided on the following pages. Lines that are not discussed in the instructions are self-explanatory.

Step 1 — Identify your fiduciary

A — Indicate if you are a trust or an estate by checking the appropriate box.

B — **All taxpayers:** Type or print your legal business name. If you have a name change from last year, check the corresponding box.

C — Complete Line C and check the corresponding box **only** if you have an address change from last year or this is your first return. **Do not complete Line C** if the information is the same as last year.

D — If this is your first or final return, check the appropriate box.

Note — If you checked the box in Line C because you have never filed an Illinois return, you must also check the “first return” box in Line D.

E — Indicate your method of accounting by checking the appropriate box. You must use the same accounting method (e.g., cash or accrual) and tax year that you used for federal income tax purposes.

F — If you are required to disclose reportable transactions and you have attached federal Form 8886, check the box on Line F. See “What if I participated in a reportable transaction?” for more information.

G — Write your federal employee identification number.

H — Indicate if you are an Electing Small Business Trust (ESBT) or an individual bankruptcy estate by checking the appropriate box.

I — If your residency is not in Illinois, mark the box and attach a completed Illinois Schedule NR (Form IL-1041), Nonresident Computation of Fiduciary Income, to your tax return.

Note — **For individual bankruptcy estates, Illinois follows the federal filing procedures. You should complete Form IL-1040, Individual Income Tax Return, and carry the tax amount to Step 6 of Form IL-1041 and mark the Individual Bankruptcy box. On the top of Form IL-1040, write “Individual Bankruptcy Estate. Do not detach.” Attach Form IL-1040 to the back of Form IL-1041.**

J — If you earned or can carry forward credits on Illinois Schedule 1299-D, Income Tax Credits (for corporations and fiduciaries), mark the box and attach Illinois Schedule 1299-D to your tax return, even if you are unable to use any of the credits in this tax year.

K — If you received income from a partnership, an S corporation, or another trust or estate, mark the box and attach Illinois Schedule I, Income Received, to your tax return.

L — If you are claiming a bonus depreciation addition or subtraction modifications on Form IL-1041, mark the box and attach Schedule 4562, Special Depreciation, to your tax return.

M — If you are claiming other addition or subtraction modifications on Form IL-1041, mark the box and attach Schedule M, Other Additions and Subtractions (for businesses), to your tax return.

N — If you are claiming related-party expense modifications on your Form IL-1041, mark the box and attach Schedule 80/20, Related-Party Expenses, to your tax return.

O — Check the box if you must adjust your income or loss due to Discharge of Indebtedness. For more information, see the instructions for Line 28 and the Loss Reduction worksheet.

Note — **You must complete Form IL-1041 itself. You must complete department-issued or previously approved Form IL-1041 and corresponding schedules.** Do not send a computer printout or spreadsheets with line numbers and dollar amounts attached to a blank copy of the return.

Step 2 — Figure your income or loss

Line 1 — Write the amount from U.S. Form 1041, Line 22.

Note — **Do not include any capital gains on the lump-sum distribution from a retirement plan that you reported on your U.S. Form 4972, rather than on Line 8 of your U.S. Form 1041.**

Line 2 through 10 — Do not write **negative** amounts on Lines 2 through 10. If you are claiming over-accrued taxes, include them on Schedule M (for business), Line 23.

Line 2 — Write the amount of net operating loss deduction from U.S. Form 1041, Line 15a.

Line 3 — If you are an Electing Small Business Trust (ESBT), write your positive taxable income from subchapter S corporations. Also, you should include the amounts applicable from this trust in your addition and subtraction modifications. Attach a worksheet explaining each amount. Losses from subchapter S corporations are reported on Line 23.

Line 4 — Write the exemption amount from your U.S. Form 1041, Line 20. If you are a qualified disability trust, write \$100 or the amount of your exemption, whichever is less.

Modifications — Any addition or subtraction modification required in the computation of base income should be adjusted by any amount permanently set aside for charitable purposes pursuant to IRC Section 642(c).

Write the addition or subtraction modifications in Column A if the item is included in figuring your beneficiaries' income.

Write the addition or subtraction modifications in Column B if the item is included in figuring your income.

Line 5 — You must add back any amount of Illinois Income and Replacement taxes that you deducted on your U.S. Form 1041 to arrive at your federal taxable income. You are not required to add back taxes from other states that you included as a federal deduction.

Line 6 — Write the total of all amounts excluded from federal taxable income that were received or accrued as interest during the tax year.

Line 7 — Write the addition amount calculated on Form IL-4562, Special Depreciation. For more information, see Form IL-4562 and instructions. **Attach Form IL-4562 to your Form IL-1041.**

Line 8 — Write the interest or intangible expenses, or insurance premiums paid to an affiliated company, to the extent these expenses exceed any taxable dividends you received from the affiliated company from Illinois Schedule 80/20, Related-Party Expenses, Line 13. **Attach Illinois Schedule 80/20 to your Form IL-1041.**

Affiliated Company means any person who would be a member of a unitary business group with you, but cannot be included in the group because 80 percent or more of its business activities are conducted outside the United States or because of the rule against combining insurance companies, financial organizations, or transportation companies with companies engaged in other businesses.

Intangible expenses mean royalties and fees paid for intangible assets, losses incurred on sales or other disposition of intangible assets to an affiliated company, losses on factoring or discounting transactions with an affiliated company, and deductible expenses incurred in connection with the acquisition, use, management, or sale or other disposition of an intangible asset. Intangible assets include patents, patent applications, trade names, trademarks, service marks, copyrights, mask works, trade secrets, and similar types of intangible assets.

Some interest and intangible expenses may be exempt from the add-back provision. See Illinois Schedule 80/20 for more information.

Line 9 — If you are a beneficiary in another trust or estate, a partner in a partnership, or a shareholder in a subchapter S corporation, include your distributive share of additions received from the trust, estate, partnership, or subchapter S corporation. If you receive multiple schedules because you are a recipient from multiple entities, you should write the combined total from all Illinois Schedules K-1-P and K-1-T you receive. **Attach a copy of all Illinois Schedules K-1-P and K-1-T to your Form IL-1041.**

Note — The trust or estate is required to send you an Illinois Schedule K-1-T and the partnership or subchapter S corporation is required to send you an Illinois Schedule K-1-P specifically identifying your share of income.

Special Note — **Do not attach** copies of Schedules K-1-T you issued to your beneficiaries. You should keep copies of these schedules in your records.

Line 10 — Complete the 2011 Illinois Schedule M, Other Additions and Subtractions (for businesses), to figure the correct amount to include on Line 10. **Attach a copy of Illinois Schedule M to your Form IL-1041.** The following are items that must be added to taxable income and are included on the Illinois Schedule M.

- Notes, bonds, debentures, or obligations issued by the Governments of Guam, American Samoa, Puerto Rico, the Northern Mariana Islands, or the Virgin Islands.
- Lloyd's plan of operations loss if reported on your behalf on Form IL-1023-C, Composite Income and Replacement Tax Return, and included in your federal taxable income.
- **Nonresidents only: Business Expense Recapture** - if you reported income from an asset or activity as business income in prior years, and reported any income from that asset or activity as nonbusiness income on this return, include on this line all deductions you claimed for expenses connected with that income in this year and in your two most recent tax years. This recapture should be allocated to the fiduciary to the extent the business expenses were allocated to the fiduciary in the year they were deducted. See Illinois Schedule NR (Form IL-1041),

Nonresident Computation of Fiduciary Income, Line 36, and Illinois Schedule NR (Form IL-1041) Instructions for more information.

- Any other state's income tax deducted from federal taxable income, if a corresponding credit is claimed on Illinois Schedule CR (Form IL-1041), Credit for Tax Paid to Other States. **Only add back the taxes for which you are claiming a credit.**
- The smaller of any capital loss on U.S. Form 1041, Line 4 that you may carry forward or any negative amount on U.S. Form 1041, Line 22.

Step 3 — Figure your base income or loss

A double deduction is prohibited by IITA, Section 203(g). You cannot deduct the same item more than once when figuring your subtractions.

Line 13 — Write the amount from Illinois Schedule F (Form IL-1041), Gains from Sales or Exchanges of Property Acquired Before August 1, 1969, Line 18. Capital gain, or Section 1245 or 1250 gain, on property acquired before August 1, 1969, may be limited by the value of the property on August 1, 1969. See Illinois Schedule F for instructions. **Attach Illinois Schedule F, and a copy of U.S. Schedule D, U.S. Form 4797, and U.S. Form 6252, if filed.**

Line 14 — Write the federally taxed portion of any qualified distribution received from

- a qualified employee pension, profit sharing, stock bonus, or bond purchase plan, or from a government (including military) retirement or disability plan. Report only such distribution that was included in taxable income on U.S. Form 1041, Line 8. **Attach a copy of U.S. Form 1041, Page 1, and supporting schedule for Line 8.**
- an Individual Retirement Account (IRA), a self-employed retirement plan (SEP), or a 401(k) plan.
- a lump-sum distribution of cash or property from a qualified plan (e.g., employer securities or retirement income, endowment or life insurance contracts). Report the total distribution treated as long-term capital gain shown on U.S. Schedule D plus any amount treated as ordinary income and included in U.S. Form 1041, Line 8. **Attach a copy of U.S. Schedule D and U.S. Form 1041, Page 1, and supporting schedule for Line 8.**
- the redemption of U.S. Retirement Bonds. **Attach a copy of U.S. Form 1041, Page 1, and supporting schedule for Line 8.**
- gain on the sale or exchange of employer securities. Complete Form IL-4644, Gains from Sales of Employer's Securities Received from a Qualified Employee Benefit Plan, to compute the subtraction. **Attach Form IL-4644 to your Form IL-1041.**

Note — **Do not subtract any capital gains on the lump-sum distribution from a retirement plan that you reported on your U.S. Form 4972, rather than on U.S. Form 1041, Line 8. These amounts are excluded from your federal taxable income on Form IL-1041, Line 1, and cannot be subtracted.**

Special Note — You must notify each beneficiary of his or her share of any amount included on Line 14, Column A, that is attributable to a capital gain distribution or to a gain realized on the disposition of employer securities. You must also advise the beneficiary that his or her share of any such amount is to be reported **only** if he or she is limiting capital gain on the disposition of property acquired before August 1, 1969, on Illinois Schedule F.

If the beneficiary is an individual, he or she will include the amount on Illinois Schedule F (Form IL-1040), Step 3, Line 13. If the beneficiary is a trust or estate, the fiduciary will include the amount on Illinois Schedule F (Form IL-1041), Line 14.

Line 15 — Write the total interest received or accrued from U.S. Treasury bonds, notes, bills, federal agency obligations, and savings bonds that is included in your federal taxable income. You may **not** subtract anything that is not identified in Illinois Publication 101, Income Exempt from Tax. This amount is net of any bond premium amortization deducted federally.

Line 16 — Write any retirement payments to retired partners that were received by the trust or estate and excluded in computing net earnings from self-employment by IRC Section 1402.

Note — You must attach Illinois Schedule 1299-B, Enterprise Zone or Foreign Trade Zone (or sub-zone) Subtractions, to your Form IL-1041 if you have an amount on Lines 17 and 18.

Line 17 — Write the Enterprise Zone or River Edge Redevelopment Zone dividend subtraction from Illinois Schedule 1299-B, Step 1, Line 7.

Line 18 — Write the High Impact Business dividend subtraction from Illinois Schedule 1299-B, Step 1, Line 10.

Line 19 — Write the amount of any contribution made to a job training project established under the "Tax Increment Allocation Redevelopment Act," as amended. For further information, see Illinois Compiled Statutes, Chapter 65, paragraph 5/11-74.4-1 *et seq.*

Line 20 — Write the subtraction allowance from Form IL-4562, Special Depreciation, Step 3, Line 10. **Attach Form IL-4562 to your Form IL-1041.**

Line 21 — Write the amount from Illinois Schedule 80/20, Step 3, Line 30. **Attach Illinois Schedule 80/20 to your Form IL-1041.**

You should use Illinois Schedule 80/20

- if you added back interest paid to an affiliated company on Step 2, Line 8, you may subtract any interest received from that affiliated company during this tax year, up to the amount of your addition for interest expense paid to that company. Also, if you added back intangible expenses from a transaction with an affiliated company on Line 8, you may subtract any income you received during the tax year from similar transactions with the affiliated company, up to the amount of your addition for intangible expense for that company. To compute the amount of this subtraction, complete Illinois Schedule 80/20.
- if you are an affiliated company, and you received interest or intangible income from someone who had to add back the interest and intangible expense on their Illinois Schedule 80/20, you may subtract your interest or intangible income from that company.

Line 22 — Write your distributive share of subtractions passed through to you by a partnership, subchapter S corporation, trust, or estate that you were either a partner, a shareholder, or a beneficiary. Do not include any amounts passed through that are reflected on Illinois Schedule 1299-B. **Attach a copy of all Illinois Schedules K-1-P and K-1-T you received to your Form IL-1041.**

Note — The partnership or the subchapter S corporation is required to send you an Illinois Schedule K-1-P and the trust or estate is required to send you an Illinois Schedule K-1-T, specifically identifying your share of subtractions.

Special Note — Do not attach copies of Schedules K-1-T you issued to your beneficiaries. You should keep copies of these schedules in your records.

Line 23 — Write the amount of any loss passed through to you by a subchapter S corporation. Positive income from a subchapter S corporation is reported on Line 3.

Line 24 — Complete the 2011 Illinois Schedule M to figure the amount to include on Line 24. **Attach a copy of Illinois Schedule M to your Form IL-1041.**

You may **not** subtract anything that is not identified below or in Illinois Publication 101. Subtractions allowed on Illinois Schedule M include:

- notes, bonds, debentures, or obligations issued by the Governments of Guam, American Samoa, Puerto Rico, the Northern Mariana Islands, or the Virgin Islands, to the extent that you were required to add these amounts to your federal taxable income;
- Lloyd's plan of operations income if reported on your behalf on Form IL-1023-C and included in your federal taxable income;
- the amount equal to the deduction used to compute the federal tax credit for restoration of amounts held under claim of right under IRC Section 1341;
- the amounts disallowed as federal deductions or interest expenses under IRC Sections 171(a)(2), 265, or 280C;
- reparations or other amounts received as a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime that are included in your federal taxable income. Also include any reparations or other amounts received as an heir of such victim that are included in your federal taxable income;
- any other income included on Step 2, Line 11, exempt from taxation by Illinois by reason of its Constitution or statutes or by the Constitution, treaties, or statutes of the United States. This amount is net of any bond premium amortization deducted federally. For more information, see Illinois Publication 101.

Line 26 — Subtract Line 25 from Line 12. If you are a resident of Illinois write this amount on Step 4, Line 27. The base income of a resident trust or estate is not subject to allocation or apportionment. The entire amount is allocated to Illinois under the provisions of the IITA. If you are a nonresident of Illinois complete, Illinois Schedule NR (Form IL-1041) before completing Step 4. **Attach Illinois Schedule NR (Form IL-1041) to your Form IL-1041.** For more information, see Illinois Schedule NR (Form IL-1041) instructions.

Step 4 — Figure your net income

Line 27 — Follow the instructions on the form. If this amount is a loss, you may be allowed to carry it forward to other years as an Illinois net loss deduction (NLD).

Line 28 — If you were required to reduce the net operating loss reported on your federal Form 1041 because you excluded any discharge of indebtedness income from this tax year's gross income, then you may be required to reduce the net loss reported on Line 27. Use the worksheet below to figure your loss reduction.

Attach a copy of your federal Form 982, Reduction of Tax Attributes Due to Discharge of Indebtedness, to your Form IL-1041. For more information, see department regulations Section 100.2310(c).

Note If you also have Illinois net operating loss carryovers to the tax year of the debt cancellation, you may also be required to reduce these carryovers. See Schedule NLD for more information.

Line 29 — If you have a discharge of indebtedness adjustment on Line 28, add Lines 27 (a negative number) and 28 (a positive number), and write the result here. This amount cannot be greater than zero.

If you do not have a discharge of indebtedness adjustment, write zero on Line 28 and the amount from Line 27 on Line 29.

Line 30 — Write your Illinois NLD carryforward from Illinois Schedule NLD, Line 5. **Attach Illinois Schedule NLD to your Form IL-1041.**

Line 31 — Your exemption amount is \$1,000 if you are a full-time Illinois resident, or a full-time Illinois resident, with a first or final return (even if the return is a short-year return).

If you are an Illinois resident and you have a short-year return that is not a first or final return, you must prorate your exemption allowance based on the number of taxable days in your tax year.

If you are a nonresident, you must use Schedule NR (1041) to compute your exemption allowance.

Step 5 — Figure your net replacement tax - For trusts only, estates go to Step 6

Line 35 — Write your recapture of investment credits from Illinois Schedule 4255, Recapture of Investment Tax Credits, Step 4, Column C, Line 16.

If you claimed any Illinois investment tax credit in a prior year on Form IL-477, Replacement Tax Investment Credits, and any of the property was disqualified within 48 months of being placed in service, you must use Illinois Schedule 4255 to compute the amount of recapture. Credit must be recaptured in the year the property became disqualified.

Line 37 — Write the amount from Form IL-477, Step 1, Line 11. **Attach Form IL-477 to your Form IL-1041.**

You may claim a replacement tax investment credit of .5 percent (.005) of the basis of qualified property placed in service in Illinois during the tax year.

An additional credit of up to .5 percent (.005) of the basis of qualified property is available if your Illinois base employment increased over the preceding year or if your business is new to Illinois. Excess credit may be carried forward for five years following the excess credit year. For more information, see Form IL-477 instructions.

Step 6 — Figure your net income tax

Line 41 — Write your recapture of investment credits from Illinois Schedule 4255, Step 4, Columns A and B, Line 16.

If you claimed an Illinois Enterprise Zone Credit or High Impact Business Investment Credit in a prior year on Illinois Schedule 1299-D, Income Tax Credits, and any of the property becomes disqualified, you must use Illinois Schedule 4255 to compute the amount of recapture. Credit must be recaptured in the year in which the property became disqualified. For more information, see Illinois Schedule 4255.

Line 43 — Write the amount from Illinois Schedule CR (Form IL-1041), Credit for Tax Paid to Other States, Line 56. **Attach Illinois Schedule CR and all required supporting documents to your Form IL-1041.** For more information, see Illinois Schedule CR instructions.

Loss Reduction Worksheet

- 1 Write the amount of the reduction to your federal net operating losses
See federal Form 982.
- 2 Write your income allocation ratio. See instructions.
- 3 Multiply the amount on Line 1 by Line 2. This is your reduction amount.
Write the result here and on Form IL-1041, Line 28.

1 _____
2 _____
3 _____

Line 1 — Combined groups must add the amount of federal net operating loss reductions for each group member. All others, follow the instructions in Line 1.

Line 2 — Your income allocation ratio is calculated by dividing the amount of debt cancellation income excluded from your gross income that would have been allocated or apportioned to Illinois under the IITA if it was not excluded by the total amount of debt

cancellation income excluded from your gross income. If all of your debt cancellation income would have been business income, use the apportionment factor you calculated on the return for the tax year of the debt cancellation.

Line 3 — Follow the instructions on the form.

Line 44 — Write the amount from Illinois Schedule 1299-D, Step 2, Line 25. The total of all credits is limited to the total income tax shown on Line 42. **Attach Illinois Schedule 1299-D to your Form IL-1041.** For more information, see Illinois Schedule 1299-D instructions.

The TECH-PREP Youth Vocational Programs Credit and the Dependent Care Assistance Program Tax Credit are available to taxpayers primarily engaged in manufacturing. Any excess credit may be carried forward for **two** years following the excess credit year.

- **TECH-PREP Youth Vocational Programs Credit** — The programs must be certified as qualifying TECH-PREP programs by the State Board of Education. The credit is for an amount equal to 20 percent (.20) of the direct payroll expenditures for cooperative secondary school youth vocational programs in Illinois. The payroll expenditures must not have been claimed for the Training Expense Credit. You also may claim an additional credit of 20 percent (.20) for personal services rendered by a TECH-PREP student or instructor that would be subject to withholding if they were employed by you and no other credit is claimed by the actual employer.
- **Dependent Care Assistance Program Credit** — A credit of 5 percent (.05) of the amount of expenditures reported, under IRC Section 129(d)(7), to provide an on-site facility dependent care assistance program as defined in IRC Section 129.

The following credits are also available and may be carried forward **five** years following the excess credit year:

- **Film Production Services Tax Credit** — Businesses in the film industry may receive a transferable credit for Illinois production expenses incurred in a project that has been approved by the Illinois Department of Commerce and Economic Opportunity (DCEO). Credits earned in tax years ending prior to July 11, 2005 may not be carried over, while credits earned in later years may be carried forward five years.
- **Jobs Tax Credit** — A credit of \$500 per eligible employee hired to work in an Illinois enterprise zone or foreign trade zone (or sub-zone) during the tax year.
- **High Impact Business Investment Credit** — A credit of .5 percent (.005) of the basis of qualified property placed in service in Illinois by you during your tax year as a “High Impact Business,” certified as such by DCEO. This credit is available only after you have met the minimum investment required by the Illinois Enterprise Zone Act.
- **Enterprise Zone Investment Credit** — A credit of .5 percent (.005) of the basis of qualified property placed in service in an Illinois enterprise zone during the tax year.
- **River Edge Redevelopment Zone Investment Credit** — For tax years beginning on or after January 1, 2007, a credit of .5 percent (.005) of the basis of qualified property placed in service in an Illinois river edge redevelopment zone during the tax year.
- **Tax Credit for Affordable Housing Donations** — A credit of 50 percent (.50) of the amount of the donation a taxpayer makes under Section 7.28 of the Illinois Housing Development Act for the development of affordable housing in Illinois.
- **Research and Development Credit** — A credit of 6.5 percent (.065) of the qualifying expenditures for increasing research activities conducted in Illinois, and that are allowable under IRC Section 41. If you did not take a credit for which you were entitled on or after January 1, 2011, either as a new credit or a credit carryforward, you will need to file an amended return to claim that credit.
Note — You may only use credit that was earned for tax years ending on or after December 31, 2005. Any credit or credit carryforward that was earned prior to December 31, 2004 may not be used.
- **Economic Development for a Growing Economy (EDGE) Tax Credit** — A credit is available to taxpayers who have entered into an agreement with DCEO under the Economic Development for a Growing Economy Tax Credit Act. The credit is available to businesses located within Illinois or businesses planning to locate within Illinois, who are participating in an economic development project area.
- **River Edge Redevelopment Zone Remediation Credit** — A credit for tax years ending on or after December 31, 2006, for unreimbursed eligible remediation costs incurred in a Site Remediation Program under the Environmental Protection Act in a river edge redevelopment zone. See Illinois Schedule 1299-D instructions or contact the Illinois Environmental Protection Agency for more information.
- **Ex-Felons Jobs Credit** — For tax years beginning after December 31, 2006, the Ex-Felons Jobs Credit is 5 percent (.05) of qualified wages paid during the taxable year to an employee who is a qualified ex-felon. The total credits for all years for wages paid to a particular ex-felon may not exceed \$600.
- **Veterans Jobs Credit** — For tax years beginning on or after January 1, 2010, the Veterans Jobs Credit is the lesser of 10 percent (.10) of qualified wages paid during the taxable year to a qualified veteran, or \$1,200 per qualifying employee.
- **Student-Assistance Contribution Credit** — For tax years ending on or after December 31, 2009, this credit is allowed to employers who make a matching contribution to a qualified Illinois pre-paid tuition program on behalf of employees. Qualified Illinois pre-paid tuition plans include:
 - *Illinois Bright Start Savings Pool,*
 - *Illinois Bright Directions Savings Pool,*
 - *College Illinois Pre-paid Tuition Program.*The credit amount is 25 percent (.25) of the contribution for each employee, or \$500 per employee, whichever is less.
- **Angel Investment Credit** — For tax years beginning on or after January 1, 2011, and ending on or before December 31, 2016, a credit may be claimed in an amount equal to 25 percent (.25) of an investment made directly in a qualified new business. The credit may not reduce tax below zero and may be carried forward for five years. The credit is issued by DCEO and a copy of your credit certificate from DCEO must be attached to your return.
- **New Markets Credit** — For qualified investments made between 2008 and 2017 in a community development entity, a credit is allowed on the second anniversary of the investment (tax years ending on or after December 31, 2010), and the next four anniversaries. The credit may not reduce tax below zero and may be carried forward for five years. The credit is issued by DCEO and a copy of your credit certificate from DCEO must be attached to your return.

- **River Edge Historic Preservation Credit — For tax years beginning on or after January 1, 2012**, a credit for restoring certain types of real estate in a River Edge Redevelopment Zone may be claimed if you entered into an agreement with DCEO. The credit may not reduce tax below zero and may be carried forward for five years. The credit is issued by DCEO and a copy of your credit certificate from DCEO must be attached to your return.
- **Live Theater Production Credit — For tax years beginning on or after January 1, 2012**, a credit for various costs associated with the production of live theater may be claimed if you applied with and were approved by DCEO. The credit may not reduce tax below zero and may be carried forward for five years. The credit is issued by DCEO and a copy of your credit certificate from DCEO must be attached to your return.
- **Historic Preservation Credit** — A credit for restoring certain types of real estate in the Peoria area may be claimed if you entered into an agreement with DCEO. The credit may not reduce tax below zero and may be carried forward for ten years. The credit is issued by DCEO and a copy of your credit certificate from DCEO must be attached to your return.

Step 7 — Figure your refund or balance due

Line 50a — Write the amount of Illinois income tax withheld on wages and salaries (of a decedent) and gambling withholding that were received by you. **This withholding must be claimed by the fiduciary (attach Forms W-2 and W-2G to your Form IL-1041).**

Line 50b — Write the amount of any overpayment from your previous year's tax return that you requested to be applied to this year's tax return.

Line 50c — Write the amount of Illinois Income and Replacement Tax paid with Form IL-505-B plus any estimated payments you made with Form IL-1120-ES.

Line 50d — Write the amount of Illinois pass-through entity payments made on your behalf by partnerships, S corporations, or trusts, as reported to you on Schedule K-1-P or K-1-T. If you have more than one Schedule K-1-P or K-1-T, add the amounts of all the schedules and write the total on Line 50d. **Attach copies of the Schedules K-1-P and K-1-T you received from the pass-through entities to your Form IL-1041.**

Special Note — Do not attach copies of Schedules K-1-T you issued to your beneficiaries. You should keep copies of these schedules in your records.

Lines 51 through 54 — Follow the instructions on the form. Your refund will not be issued if you do not file a processable return.

Note — Your refund or credit carryforward may be reduced by us to satisfy any unpaid tax, penalty, and interest due for this year or any preceding year. If we reduce your credit carryforward, it may result in a late-payment penalty in the succeeding year.

Line 55 — 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"** and **attach to the front of your return.**

We will compute any penalty and interest due and notify you (see General Information, "What are the penalties and interest?").

You should also **write the amount you are paying in the box located on the top of Page 1** of the Form IL-1041.

Illinois Schedule D Instructions

Complete and attach Illinois Schedule D to your Form IL-1041, when you file your return with us.

Column A — Write the name and address of each beneficiary.

Column B — Write the Social Security number or federal employer identification number (FEIN) of each beneficiary.

Column C — Indicate the type of each beneficiary. Write

- "I" for individual
- "M" for estate
- "S" for small business corporation
- "E" for exempt organization
- "C" for corporation
- "P" for partnership
- "T" for trust

Column D — Write the amount of base income that is distributable or deemed distributable to the beneficiary.

Column E — Check this column if the beneficiary was not an Illinois resident on the last day of the tax year. See IITA, Section 1501, for the definition of an individual, trust, or estate "resident" for Illinois income tax purposes. Corporations and partnerships are considered nonresidents for purposes of Illinois Schedule D

and Illinois Schedule K-1-T. (See General Information, "Definitions to help you complete your Form IL-1041.")

Column F — Write the amount of pass-through entity payment that was made on behalf of the beneficiary and reported on Form IL-1000, Pass-through Entity Income Tax Return.

Column G — If the partner or shareholder was excluded from pass-through entity payments indicate the reason by writing

- "R" if the partner or shareholder is an Illinois resident,
- "C" if the partner or shareholder is included on a composite return, or
- "E" if the partner or shareholder provided you a Form IL-1000-E, Certificate of Exemption for Pass-through Entity Payments, indicating that they would pay their own tax liability.

Line 7 — Add the amounts shown in Column D for all the nonresident beneficiaries for which you have checked the box in Column E. Do not include the amounts for resident beneficiaries (marked with an "R" in Column G).

Note — If you have more than six beneficiaries to report, and additional space is needed, complete and attach additional Illinois Schedules D. Report the total on Column D, Line 7 of the last page.

