



# Illinois Department of Revenue Schedule SA Instructions (IL-1041)

## General Information

The purpose of Schedule SA, Specific Accounting, is to provide a means for calculating your income and tax at separate rates, due to an income tax rate decrease in the middle of the tax year. The Schedule SA allows you to figure your tax based on the specific accounting method.

- **Specific accounting method** - The specific accounting method allows you to treat your net income or loss and modifications as though they were earned in two different taxable years.

**For trusts and estates**, the amount earned prior to January 1, 2015, is taxed at 5 percent. The amount earned on or after January 1, 2015, is taxed at 3.75 percent.

## Who should use Schedule SA?

You must use Schedule SA if you elect not to use the blended rate method of computing your tax when the rate changes in the middle of the tax year. The blended rate method taxes your income as if you received it evenly throughout the year.

If you actually earned more of your income during the period to which the 3.75 percent tax rate applies, electing to use the specific accounting method on Schedule SA to determine how much of your income is taxed at the 3.75 percent rate and how much is taxed at the 5 percent rate will reduce your tax liability. The election is made by attaching Schedule SA to your timely-filed original return. Once the election is made, it is irrevocable.

## Specific Instructions

### Step 1 — Provide your business information

**Line A** — Enter the name of your trust or estate, as shown on your Form IL-1041, Fiduciary Income and Replacement Tax Return.

**Line B** — Enter your FEIN as shown on your Form IL-1041.

### Step 2 — Figure your base income or loss

**Column A** — For each line item, enter the amounts included for the portion of your tax year that comes before January 1, 2015, based on your method of allocation.

**Column B** — For each line item, enter the amounts included for the portion of your tax year that comes after December 31, 2014, based on your method of allocation.

**Note** → All items of income, deduction and loss passed through to you by a partnership, S corporation, trust, or estate are treated as received by you on the last day of that entity's taxable year.

| The total amount from Columns A and B Line — | Must equal the amount on Form IL-1041, Line — |
|--|---|
| 1  | 1   |
| 2  | 2   |
| 3  | 3 through 10                                  |
| 4  | 11  |
| 5  | 25  |
| 6  | 26  |

**Full-year Illinois residents:** Skip Step 3, enter the amounts from Line 6 on Step 4, Line 17, and complete the rest of this schedule.

**Nonresidents or part-year residents:** Complete Steps 3 and 4.

### Step 3 — Figure your apportionment factor

**Nonresidents or part-year residents only** — If you completed Form IL-1041, Schedule NR, Nonresident Computation of Fiduciary Income, you must complete Step 3 to apportion business income and allocate nonbusiness income to Illinois appropriately.

**Line 7** — Enter the amount of nonbusiness income or loss included in Line 6. The amount of nonbusiness income is represented in the amount you showed on your Schedule NR, Step 3, Column B, and Step 4, Column A.

**Line 8** — Enter the amount of business income or loss from non-unitary partnerships, trusts, or estates as shown on Schedule NR, Step 3, Column B, and Step 4, Column A.

| The amount from Line — | Must equal the amount on Schedule NR, Step 6, Line — |
|------------------------|--|
| 11                     | 1  |
| 12                     | 2  |
| 13                     | 3  |

**Lines 15** — Enter the amount of nonbusiness income or loss included in Line 6 allocated to Illinois on your Schedule NR, Step 3, Column C and Step 4, Column B.

**Lines 16** — Enter the amount of business income apportioned to Illinois by a non-unitary partnership, trust, or estate as reported to you on Schedules K-1-P, Partner's or Shareholder's Share of Income, Deductions, Credits, and Recapture, or K-1-T, Beneficiary's Share of Income and Deductions, Steps 4 and 5.

### Step 4 — Figure your income tax

**Line 17** — Follow the instructions on the form.

**Full-year Illinois residents:** The total amount from Columns A and B, Line 17 must equal the amount on Form IL-1041, Line 27.

**Nonresidents or part-year residents:** The total amount from Columns A and B, Line 17 must equal the amount on Schedule NR, Line 51.

**Line 18** — Enter the amount of your Illinois net loss deduction from Form IL-1041, Line 30.

**Line 19** —

**Column A:** Subtract the entire amount of Illinois net loss deduction shown on Line 18 from Column A, Line 17 and enter the result here. The result can be a negative number. If the result is a negative number, enter the amount as a negative number here.

**Column B:** Enter the amount from Column B, Line 17 on this line.

**Line 20** —

Before completing this line determine if Column A, Line 19 is a positive or negative number and follow the instructions below.

**If Column A, Line 19 is negative:**

- enter zero in Column A, Line 20, and
- enter in Column B, Line 20, the result of adding Column B, Line 19, plus Column A, Line 19.

**Note** → If Column B, Line 20, is negative, do not use this schedule.

**If Column A, Line 19 is positive:**

- enter Column A, Line 19, on Column A, Line 20, and
- enter Column B, Line 19, on Column B, Line 20.

**Line 21 —**

| <b>The total amount from<br/>Columns A and B Line —</b> | <b>Must equal the amount<br/>on Form IL-1041, Line —</b> |
|---|--|
| <b>21</b>   | <b>31</b>  |

Prorate your exemption allowance between the two separate tax periods based on the number of days in each tax period.

- Divide the number of days in each tax period by the total number of days in the tax year.
- Round the result to six decimal places.
- Multiply the decimal by total exemption allowance (cannot exceed \$1,000). See Form IL-1041, Line 31 or Schedule NR, Line 54 for your total exemption allowance amount.

**Lines 22, 23, and 24 —** Follow the instructions on the form.

**Note** → For fiscal 2015 returns filed on 2014 forms, attach this form directly behind your Form IL-1041, as **Attachment No. 1**. This attachment supersedes all other attachments.