



# 2015 Schedule 1299-A Instructions

## What's new for 2015?

**Short-year filers** - The River Edge Redevelopment Zone Investment Credit has expired for tax years **beginning** on or after July 12, 2016. If your tax year **begins** on or after July 12, 2016, you cannot claim this credit on Schedule 1299-A, Lines 20a through 20c. You may still claim any distributive share of this credit passed through to you on Schedule K-1-P by reporting it on Schedule 1299-A, Line 21. The Enterprise Zone Investment Credit is still allowed.

**Fiscal-year filers** - The Research and Development Credit has expired for tax years **ending** after December 31, 2015. If your tax year **ends** after December 31, 2015, enter zero on Schedule 1299-A, Lines 29 through 35. You may still claim any distributive share of this credit passed through to you on Schedule K-1-P by reporting it on Schedule 1299-A, Line 36.

The Veterans Jobs Credit for "qualified veterans" has expired. You cannot claim a Veterans Jobs Credit for "qualified veterans" for tax years **beginning** on or after January 1, 2015. The credit for "qualified unemployed veterans" is still allowed.

**Short-year filers** - The River Edge Historic Preservation Credit has expired for tax years **beginning** on or after July 28, 2016. If your tax year **begins** on or after July 28, 2016, you cannot claim this credit on Schedule 1299-A, Line 53. You may still claim any distributive share of this credit passed through to you on Schedule K-1-P by reporting it on Schedule 1299-A, Line 54.

**Fiscal-year filers** - The Historic Preservation Credit has expired for tax years **ending** after December 31, 2015. If your tax year **ends** after December 31, 2015, you cannot claim this credit on Schedule 1299-A, Line 66. You may still claim any distributive share of this credit passed through to you on Schedule K-1-P by reporting it on Schedule 1299-A, Line 67.

## General Information

Complete this schedule if you are filing Form IL-1065 or Form IL-1120-ST and are entitled to the following **subtractions**:

- Dividends from river edge redevelopment zones
- Dividends from foreign trade zones (or sub-zones)
- Contribution to a zone organization (Form IL-1120-ST filers only)
- Interest income from a loan secured by river edge redevelopment zone or high impact business property (Form IL-1120-ST financial organizations only)

or the following **credits**:

- Film Production Services Tax Credit
- Enterprise Zone Investment Credit
- River Edge Redevelopment Zone Investment Credit
- Tax Credit for Affordable Housing Donations
- Economic Development for a Growing Economy (EDGE) Tax Credit
- Research and Development Credit
- Ex-Felons Jobs Credit
- Veterans Jobs Credit
- Student-Assistance Contribution Credit
- Angel Investment Credit
- New Markets Credit
- River Edge Historic Preservation Credit
- Live Theater Production Tax Credit
- Hospital Credit
- Historic Preservation Credit

**Note** See Illinois Schedule 1299-S, Enterprise Zones, Foreign Trade Zones, and Sub-Zones, for a listing of these zones in Illinois, as well as their definitions. See the Department of Commerce and Economic Opportunity (DCEO) website for a list of river edge redevelopment zones and the DCEO contact information.

## What must I attach?



Schedule K-1-P, Partner's or Shareholder's Share of Income, Deductions, Credits, and Recapture, or Schedule K-1-T, Beneficiary's Share of Income and Deductions, if

- you are a partner in a partnership, a shareholder in an S corporation, or a beneficiary in a trust, and you received a Schedule K-1-P or K-1-T from the partnership, S corporation, or trust showing an amount of deductions or credits that you may claim on your Schedule 1299-A.



All income credits on Schedule 1299-A are distributable by partnerships and S corporations and require Schedule K-1-P to support distributive share amounts.



Certificates issued by the DCEO if

- you entered into an agreement with the DCEO and the DCEO issued a tax certificate to you indicating the name of the credit and the amount of the credit allowed in this taxable year; or
- you purchased or had credit transferred to you from another business and the credit purchase or transfer was approved by the DCEO, and the DCEO issued a tax certificate to you indicating the name of the credit and the amount of credit allowed in this taxable year.



Any credit administered by the DCEO requires a copy of certification to claim the credit. Those credits include:

- Film Production Services Tax Credit
- EDGE Tax Credit
- Angel Investment Credit
- New Markets Credit
- River Edge Historic Preservation Credit
- Live Theater Production Tax Credit
- Historic Preservation Credit



Any other documents required by the Illinois Department of Revenue.

- If you claim the **tax credit for affordable housing donations** you must attach a copy of proof of the credit issued by the Illinois Housing Development Authority or the city of Chicago.
- If you claim the **Hospital Credit**, because the credit was transferred to you, attach a copy of the written notice of the transfer that the seller or donator sent to you.
- If you transferred the **Hospital Credit**, attach a written notice of the transfer that you issued to the transferee. See the specific instructions for more information.



# for completing Schedule 1299-A

## Enterprise Zone and River Edge Redevelopment Zone Investment Credits

“**Qualified property**” is property that

- is tangible;
- is depreciable according to Internal Revenue Code (IRC) Section 167;
- has a useful life of four or more years as of the date placed in service in Illinois; and
- is acquired by purchase as defined in IRC Section 179(d).

Qualified property can be new or used but does not qualify for the Enterprise Zone or River Edge Redevelopment Zone Investment Credits if it was previously used in Illinois in a manner that qualified for that credit or for the Replacement Tax Investment Credit on Form IL-477, Replacement Tax Investment Credits. Qualified property includes buildings, structural components of buildings, and signs that are real property. It does not include land or improvements to real property that are not a structural component of a building, such as landscaping, sewer lines, local access roads, fencing, parking lots, and other appurtenances.

Any improvement or addition made on or after the date the enterprise zone or river edge redevelopment zone was designated, or the business was designated as a high impact business, is considered to be qualified property to the extent that the improvement or addition increases the adjusted basis of the property previously placed in service in Illinois and otherwise meets the requirements of qualified property.

## Research and Development Credit

“**Qualifying expenses**” are expenditures qualifying under IRC Section 41 that are attributable to research in Illinois, including certain payments to qualified organizations for basic research in Illinois.

“**Qualifying expenses for increasing research activities in Illinois**” are the excess of qualifying expenses incurred for the current tax year over qualifying expenses incurred for the base period.

“**Base period**” is the **three** tax periods immediately preceding the current year.

“**Qualified research**” is research or experimental activities that create or improve a function, performance, reliability, or quality. Research must be performed in Illinois and be of a technical nature and be intended to be useful in the development of a new or improved business component held for sale, lease, license, or use by you in your business.

## Ex-Felons Jobs Credit

“**Qualified wages**” means wages you paid during the one-year period beginning with the date an ex-offender begins working for you. Only wages that are subject to unemployment tax under IRC Section 3306 qualify. This includes amounts in excess of the maximum taxable wage. Wages paid during any period for which you received federally funded payments for on-the-job training for the ex-offender do not qualify.

A “**qualified ex-offender**” means an Illinois resident who

- has been convicted of any crime in this State or of any offense in any other jurisdiction, other than an offense or attempted offense that would subject a person to registration under the Sex Offender Registration Act;
- was sentenced to a period of incarceration in an Illinois adult correctional center; and
- was hired by you within three years after being released from the adult correctional center.

## Veterans Jobs Credit

A “**qualified unemployed veteran**” means an Illinois resident who

- was a member of the Armed Forces of the United States (including any reserve component) or of the Illinois National Guard;
- served on active duty on or after September 11, 2001;
- has provided you with documentation showing that he or she was honorably discharged;
- was initially hired by you on or after June 1, 2012;
- was unemployed for a total of 4 weeks or more during the six week period ending on the Saturday immediately preceding the date he or she was hired by you; and
- was employed by you
  - at least 185 days; or
  - at least 31 days if that employee was unemployed for a total of six months or more during the one year period ending on the date he or she was hired.

These periods of employment may be completed after the end of the taxable year in which you hired the veteran.

**Note** An employee qualifies as unemployed for a week if he or she has received unemployment benefits for the week or has not been employed since being honorably discharged.

“**Qualified wages**” means gross wages paid to a “qualified unemployed veteran” in the course of that veteran’s sustained employment.

## Student Assistance Contribution Credit

“**Qualified education pre-paid tuition plans**” include

- Illinois Bright Start Savings Pool,
- Illinois Bright Directions Savings Pool,
- College Illinois Pre-paid Tuition Program.

## Step 1: Figure your subtractions

**Note** For several subtractions, you may have more qualifying credits than space provided on Schedule 1299-A. For any of these subtractions in which you exceed the allotted space on the schedule, attach a separate schedule in the same format as Illinois Schedule 1299-A. Include the individual amounts from multiple schedules in the total line for each credit on Schedule 1299-A. Do not enter the total on your attachment pages.

For example, if you have more than three corporations from whom you received qualifying dividends for the River Edge Redevelopment Zone Dividend subtraction, attach an additional sheet in the same format provided on the Schedule 1299-A. Add the totals from the 1299-A and the attachment, and enter the total on Schedule 1299-A, Line 3.

Additionally, if you receive more than one Schedule K-1-P or K-1-T for any eligible subtraction, you should add the amounts from all Schedules K-1-P or K-1-T for that subtraction and enter the total on the corresponding line item on Schedule 1299-A.

## River Edge Redevelopment Zone Dividend Subtraction

You may claim a subtraction for dividends you received from a corporation that conducts substantially all of its business operations in an Illinois river edge redevelopment zone.

**Note** You may deduct only the portion of these dividends that is included in your Illinois base income. Do not include any dividends from high impact businesses operating in a foreign trade zone (or sub-zone).

### Line 1 —

**Column A** – Enter the name of the corporation from which you received dividends.

**Column B** – Enter the name of the river edge redevelopment zone in which the corporation is located.

**Column C** – Enter the amount of dividends you received from the corporation and included in your Illinois base income.

**Line 2** — Follow the instructions on the form.

**Line 3** — Add Column C, Lines 1a through 1c, (including the amounts on any additional schedules you have attached) and Line 2.

- Enter the total here and on Form IL-1065, Line 28, or IL-1120-ST, Line 25.
- Enter any portion of this amount that will be distributed to a partner or shareholder on Illinois Schedule K-1-P, Line 39.

### ■ High Impact Business within a Foreign Trade Zone (or sub-zone) Dividend Subtraction

You may claim a subtraction for dividends you received from a corporation that is designated by the DCEO as a “high impact business” and conducts business operations in a federally designated foreign trade zone (or sub-zone) located in Illinois.

**Note** → You may deduct only the portion of these dividends that is included in your Illinois base income. Do not include any dividends from businesses operating in a river edge redevelopment zone.

**Line 4** —

**Column A** – Enter the name of the corporation from which you received dividends.

**Column B** – Enter the name of the foreign trade zone (or sub-zone) in which the corporation is located.

**Column C** – Enter the amount of dividends you received from the corporation and included in your Illinois base income.

**Line 5** — Follow the instructions on the form.

**Line 6** — Add Column C, Lines 4a through 4c, (including the amounts on any additional schedules you have attached) and Line 5.

- Enter the total here and on Form IL-1065, Line 29, or IL-1120-ST, Line 27.
- Enter any portion of this amount that will be distributed to a partner or shareholder on Illinois Schedule K-1-P, Line 40.

### ■ Contribution Subtraction (Form IL-1120-ST filers only)

You may deduct twice the amount of any contribution made during your tax year to a designated zone organization to be used for an enterprise zone or river edge redevelopment zone project approved by the DCEO, provided that the contribution qualifies as a charitable contribution under IRC Section 170(c).

**Line 7 — Column A** – Enter the name of the enterprise zone or river edge redevelopment zone that is the site of the project for which the contribution was made.

**Column B** – Enter the name of the designated zone organization to which the contribution was made.

**Column C** – Enter the amount of contribution.

**Column D** – Multiply each entry in Column C by 2.

**Line 8** — Follow the instructions on the form.

**Line 9** — Add Column D, Lines 7a through 7c, (including the amounts on any additional schedules you have attached) and Line 8.

- Enter the total amount here and on Form IL-1120-ST, Line 29.
- Enter any portion of this amount that will be distributed to a shareholder on Illinois Schedule K-1-P, Line 41.

### ■ Interest Subtraction (Form IL-1120-ST financial organizations only)

River edge redevelopment zones or high impact businesses within a foreign trade zone (or sub-zone) - If you are a **financial organization**, as defined in the Illinois Income Tax Act (IITA), Section 1501(a)(8), you may subtract any interest income received during the tax year from a loan made to a borrower, to the extent the loan is secured by qualified property that is eligible for the River Edge Redevelopment Zone or High Impact Business Investment Credit.

#### ◆ River Edge Redevelopment Zones

**Line 10** —

**Column A** – Enter the name of the borrower eligible to claim the River Edge Redevelopment Zone Investment Credit.

**Column B** – Enter a description of each item of qualified property used to secure the loan.

**Column C** – Enter the year the borrower claimed or will claim the credit on the qualified property.

**Column D** – Enter the name of the river edge redevelopment zone in which the property used as security is located.

**Column E** – Enter the basis of each item of property listed in Column B that was used to compute the depreciation deduction for federal income tax purposes.

**Column F** – Enter the amount of the loan.

**Column G** – Enter the interest received or accrued for the loan during the year.

**Column H** – Divide each entry in Column E by Column F (cannot exceed “1”), and multiply the result by Column G.

**Line 11** — Follow the instructions on the form.

**Line 12** — Add Column H, Lines 10a through 10c, (including the amounts on any additional schedules you have attached) and Line 11.

- Enter the total here and on Form IL-1120-ST, Line 26.
- Enter any portion of this amount that will be distributed to a shareholder on Illinois Schedule K-1-P, Line 42.

#### ◆ High Impact Business within a Foreign Trade Zone (or sub-zone)

Complete this section in the same manner as Lines 10 through 12, **except:**

**Line 13** —

**Column A** – Enter the name of the borrower eligible to claim the High Impact Business Investment Credit.

**Column D** – Enter the name of the foreign trade zone (or sub-zone) in which the property used as security is located.

**Line 14** — Follow the instructions on the form.

**Line 15** — Add Column H, Lines 13a through 13c, (including the amounts on any additional schedules you have attached) and Line 14.

- Enter the total here and on Form IL-1120-ST, Line 28.
- Enter any portion of the amount that will be distributed to a shareholder on Illinois Schedule K-1-P, Line 43.

### Step 2: Figure your credits

**Note** → For several credits, you may have more qualifying items than space provided on Schedule 1299-A. For any of these credits in which you exceed the allotted space on the schedule, attach a separate schedule in the same format as Illinois Schedule 1299-A. Include the individual amounts from multiple schedules in the total line for each credit on Schedule 1299-A. **Do not enter the total on your attachment pages.**

For example, if you have more than three qualifying employees for the veterans credit, attach an additional sheet in the same format provided on the Schedule 1299-A. Add the totals from the 1299-A and the attachment and enter the total on Schedule 1299-A, Line 43.

Additionally, if you receive more than one Schedule K-1-P for any eligible credit, you should add the amounts from all Schedules K-1-P for that credit and enter the total on the corresponding line item on Schedule 1299-A.

### ■ Film Production Services Tax Credit

For tax years **beginning on or after January 1, 2004**, businesses in the film industry may be able to take a tax credit.

To qualify for this credit you must have

- applied for and received a tax credit certificate from the DCEO, or
- received a certificate from the DCEO showing that a credit was transferred to you.

Contact the DCEO for more information.

**Line 16a** — Enter the amount of credit from the tax credit certificate you received from the DCEO, including any amount transferred to you by the person who earned the credit.

**Line 16b** — Follow the instructions on the form.

**Line 16c** — Add Lines 16a and 16b. This is the amount of credit you may distribute to your partners or shareholders. Enter each partner's or shareholder's share on Illinois Schedule K-1-P, Line 52a.

### ■ Enterprise Zone Investment Credit

**You may take this credit if you**

- placed qualified property in service in an Illinois enterprise zone within the tax year,
- placed it in service on or after the date the zone was officially designated as an enterprise zone, and
- continued to use the qualified property on the last day of your tax year.

**Note** → Qualified enterprise zones are listed on Schedule 1299-S.

**Line 17** —

**Column A** — Describe each item of qualified property you placed in service in an Illinois enterprise zone.

**Column B** — Enter the month and year each item of qualified property was placed in service in Illinois. An item is placed in service on the earlier of

- the date the item is placed in a condition or state of readiness and availability for its specifically assigned function, or
- the date the depreciation period of the item begins. (Generally, this will be the same date the item is placed in service for purposes of the federal depreciation deduction.)

**Note** → The date placed in service in Illinois must be entered in Column B or your basis in Column F will be reduced to zero.

**Column C** — If you are using the federal accelerated cost recovery system (ACRS) to depreciate the property, enter the ACRS class assigned to each item of qualified property. Property assigned to an ACRS class of less than four years is not qualified.

If you are not using the ACRS method to depreciate the property, enter the useful life assigned to the property for federal depreciation purposes. The useful life of the property when placed in service must be four or more years to qualify.

**Column D** — Indicate whether each item of qualified property is new or used. If the property was previously used, enter the abbreviation of the state where the property was located. In addition, if the property was previously used in Illinois, but not in a manner that qualified for this credit or for the Replacement Tax Investment Credit on Form IL-477, attach a statement to that effect.

**Column E** — Enter the name of the enterprise zone in which the property is used.

**Column F** — For each item of property, enter the basis used to figure the depreciation deduction for federal income tax purposes. Generally, the basis will be the purchase price, plus any capital expenditures, minus any rebates and IRC Section 179 deductions. The basis is not reduced by depreciation, including bonus depreciation, except depreciation you were allowed to claim before the date you placed it in service in Illinois or in an Illinois enterprise zone or river edge redevelopment zone.

**Column H** — Multiply Column F by Column G.

**Line 18** — Follow the instructions on the form.

**Line 19** — Add the amounts in Column H, Lines 17a through 17c, (including the amounts on any additional schedules you have attached) and Line 18. This is the amount of Enterprise Zone Investment Credit you may distribute to your partners or shareholders. Enter the result on Line 19, and enter each owner's share on Illinois Schedule K-1-P, Line 52b.

### ■ River Edge Redevelopment Zone Investment Credit

**Note** → If your tax year **begins** on or after July 12, 2016, you cannot claim this credit on Schedule 1299-A, Lines 20a through 20c. You may still claim any distributive share of this credit passed through to you on Schedule K-1-P by reporting it on Schedule 1299-A, Line 21.

**You may take this credit if you**

- placed qualified property in service in an Illinois river edge redevelopment zone within the tax year,
- placed it in service on or after the date the zone was officially designated as a river edge redevelopment zone, and
- continued to use the qualified property on the last day of your tax year.

**Note** → Qualified river edge redevelopment zones are listed on the DCEO website.

**Line 20** —

**Column A** — Describe each item of qualified property you placed in service in an Illinois river edge redevelopment zone.

**Column B** — Enter the month and year each item of qualified property was placed in service in Illinois. An item is placed in service on the earlier of

- the date the item is placed in a condition or state of readiness and availability for its specifically assigned function, or
- the date the depreciation period of the item begins. (Generally, this will be the same date the item is placed in service for purposes of the federal depreciation deduction.)

**Note** → The date placed in service in Illinois must be entered in Column B or your basis in Column F will be reduced to zero.

**Column C** — If you are using the federal accelerated cost recovery system (ACRS) to depreciate the property, enter the ACRS class assigned to each item of qualified property. Property assigned to an ACRS class of less than four years is not qualified.

If you are not using the ACRS method to depreciate the property, enter the useful life assigned to the property for federal depreciation purposes. The useful life of the property when placed in service must be four or more years to qualify.

**Column D** — Indicate whether each item of qualified property is new or used. If the property was previously used, enter the abbreviation of the state where the property was located. In addition, if the property was previously used in Illinois, but not in a manner that qualified for this credit or for the Replacement Tax Investment Credit on Form IL-477, attach a statement to that effect.

**Column E** – Enter the name of the river edge redevelopment zone in which the property is used.

**Column F** – For each item of property, enter the basis used to figure the depreciation deduction for federal income tax purposes. Generally, the basis will be the purchase price, plus any capital expenditures, minus any rebates and IRC Section 179 deductions. The basis is not reduced by depreciation, including bonus depreciation, except depreciation you were allowed to claim before the date you placed it in service in Illinois or in an Illinois enterprise zone or river edge redevelopment zone.

**Column G** –

If your business is new to Illinois, enter .01. Otherwise, use the Base Employment Calculation Worksheet on page 5 to figure the correct rate.

**Column H** – Multiply Column F by Column G.

**Line 21** — Follow the instructions on the form.

**Line 22** — Add the amounts in Column H, Lines 20a through 20c, (including the amounts on any additional schedules you have attached) and Line 21. This is the amount of River Edge Redevelopment Zone Investment Credit you may distribute to your partners or shareholders. Enter the result on Line 22, and enter each owner's share on Illinois Schedule K-1-P, Line 52c.

**Tax Credit for Affordable Housing Donations**

**You may take this credit if you**

- have made a donation under Section 7.28 of the Illinois Housing Development Act for the development of affordable housing in Illinois, and
- made the donation in a tax year **ending on or after** December 31, 2001.

You may also take this credit if it was transferred to you by the donor.

**Line 23** — Enter the total amount of your donation to eligible sponsors on the line provided. Multiply this amount by 50 percent (.50), and enter the result on Line 23.

**Line 24** — Enter any distributive share of Tax Credit for Affordable Housing Donations that was distributed to you from other partnerships or S corporations and reported to you on Illinois Schedule K-1-P, or that was transferred to you by the donor.

**Line 25** — Add the amounts on Lines 23 and 24. Enter the result here and enter each owner's share on Illinois Schedule K-1-P, Line 52d. This is your Tax Credit for Affordable Housing Donations.

**Economic Development for a Growing Economy (EDGE) Tax Credit**

**Note** → The amount of EDGE Tax Credit calculated by a pass-through entity may also be considered a payment against Illinois Income Tax under 5-15(g) of the Economic Development

**Base Employment Calculation Worksheet**

**Use this worksheet to calculate the credit rate you should use if you have placed qualifying property in service in a river edge redevelopment zone for Step 2, Line 20, Column G. You should keep a copy of this worksheet in your files as documentation of your credit calculation. The Department may request this information during a review or audit of your account.**

**1** Enter the number of covered workers from Line 1 of Illinois Department of Employment Security Form UI-3/40, Employer's Contribution and Wage Report, you filed for each month.

	A Current Year	B Preceding Year
Month		
1st	_____	_____
2nd	_____	_____
3rd	_____	_____
4th	_____	_____
5th	_____	_____
6th	_____	_____
7th	_____	_____
8th	_____	_____
9th	_____	_____
10th	_____	_____
11th	_____	_____
12th	_____	_____

**2** Enter the total of each column.

<b>2</b>	_____	_____
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**3** Enter the number of months in your taxable year. May not exceed "12". **Short year filers** - treat any partial month that begins or ends your taxable year as a whole month.

<b>3</b>	_____	_____
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**4** For each column, divide the amount on Line 2 by the amount on Line 3. Round the result to six decimal places.

<b>4</b>	_____	_____
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**5** Subtract Line 4, Column B, from Line 4, Column A. If the amount is zero or negative, enter zero.

<b>5</b>	_____
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**6** Divide Line 5 by Line 4, Column B. If the amount is greater than .01, enter .01. Otherwise, round the result to six decimal places and enter that amount here.

<b>6</b>	_____
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**7** Multiply Line 6 by 0.5. Round to six decimal places and enter the result here.

<b>7</b>	_____
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**8** Add Line 7 plus .005. Enter the amount here and on Line 20, Column G, for each item of property placed in service in a river edge redevelopment zone.

<b>8</b>	_____
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for a Growing Economy Tax Credit Act, and Articles 6 and 8 of the Illinois Income Tax Act, on behalf of the entity's owners. Application of this payment remains consistent in the manner provided for credits with a five-year credit carryforward provision.

#### You may take this credit if

- you have entered into an agreement with the DCEO, either under the Economic Development for a Growing Economy Tax Credit Act or the Corporate Headquarters Relocation Act, and
- you meet the conditions stated in your agreement with the DCEO.

#### The EDGE Tax Credit

- cannot exceed the incremental income tax, which is the total amount withheld during the tax year from the compensation of new employees who are employed at a project that is the subject of the agreement;
- cannot exceed 100 percent of the total amount spent on approved costs (defined in the agreement) by the taxpayer during all prior tax years, minus the amount of credit allowed in prior years;
- is determined on an annual basis;
- cannot exceed the amount of income tax for the tax year;
- may be applied against income tax in no more than 10 tax years for businesses that qualify under the Economic Development for a Growing Economy Tax Credit Act; and
- may be applied against income tax in more than 10 tax years, but not more than 15 tax years for businesses that qualify under the Corporate Headquarters Relocation Act, have undertaken a qualifying project within the time frame specified by the DCEO, and apply no more than 60 percent of the maximum credit per year.

Contact the DCEO for more information regarding the EDGE Program.

**Lines 26 and 27** — Follow the instructions on the form.

**Line 28** — Add the amounts on Lines 26 and 27. This is the amount of EDGE Tax Credit you may distribute to your partners or shareholders. Enter the result here and enter each owner's share on Illinois Schedule K-1-P, Line 52e.

#### Research and Development Credit

**Note** — If your tax year **ends** after December 31, 2015, enter zero on Schedule 1299-A, Lines 29 through 35. You may still claim any distributive share of this credit passed through to you on Schedule K-1-P by reporting it on Schedule 1299-A, Line 36.

**You may take this credit if** you have certain qualifying expenses for increasing qualified research activities in Illinois.

#### You may not take this credit for the following types of activities:

- research conducted after the beginning of commercial production;
- research adapting an existing product or process to a particular customer's need;
- duplication of an existing product or process;
- surveys or studies;
- research relating to certain internal-use computer software;
- research conducted outside Illinois;
- research in the social sciences, arts, or humanities; or
- research funded by another person (or government entity).

**Lines 29 through 32** — Follow the instructions on the form for the amount to enter in Column A and Column B.

**Column A** — Enter the average of the base period qualified expenses resulting from activities that were conducted in the **state of Illinois**.

**Column B** — Enter the current year qualified expenses resulting from activities that were conducted in the **state of Illinois**.

If you were **not** doing business in Illinois during one or more of the tax years included in the base period, use "0" as the factor for that tax year when computing the average base period qualified expenses.

**Note** — If you were doing business in Illinois for less than an entire year during any tax year in the base period, the qualifying expenses (Lines 29 through 32) must be annualized as follows:

**qualified expenses x 365 ÷ number of days taxable by Illinois**

**Lines 33 and 34** — Follow the instructions on the form.

**Line 35** — Multiply Line 34 by 6.5 percent (.065), and enter the result on Line 35.

**Line 36** — Enter your distributive share from an S corporation or partnership that was reported to you on Illinois Schedule K-1-P.

**Line 37** — Add the amounts on Lines 35 and 36 and enter the result here and on Schedule K-1-P, Line 52f. This is your Research and Development Credit.

#### Ex-Felons Jobs Credit

For tax years **beginning on or after January 1, 2007**, 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-offender. The total credits for **all** tax years for wages paid to a particular ex-offender may not exceed \$1500.

**Line 38** — For each ex-offender for whom you are claiming a credit:

**Column A** — Enter the name of the qualified ex-offender.

**Column B** — Enter the Social Security number of the qualified ex-offender.

**Column C** — Enter the date you hired the qualified ex-offender.

**Column D** — Enter the amount of qualified wages you paid to this ex-offender during the taxable year. Do not include any wages paid more than one year after the date of hiring.

**Column E** — Multiply the amount in Column D by five percent (.05).

**Column G** — If you claimed an Ex-Felon Jobs Tax Credit for this ex-offender in any prior year, enter the total amount of credit claimed. Otherwise, enter "0".

**Column H** — Subtract the amount in Column G from Column F. This amount cannot be less than zero.

**Column I** — Enter the amount from Column E or Column H, whichever is less.

**Line 39** — Follow the instructions on the form.

**Line 40** — Add Lines 38a through 38c, Column I, (including the amounts on any additional schedules you have attached) and Line 39. Enter the result here and on Illinois Schedule K-1-P, Line 52g. This is your total Ex-Felons Jobs Credit.

#### Veterans Jobs Credit

**Note** — The credit for hiring a "qualified veteran" cannot be claimed in tax years **beginning** on or after January 1, 2015.

The Veterans Jobs Credit is 20 percent of qualified wages paid during the taxable year to an employee who is a "qualified unemployed veteran." See the definitions at the beginning of these instructions to determine if your employee is a "qualified unemployed veteran."

The credit **per year** for wages paid to a particular employee may not exceed \$5000 for a "qualified unemployed veteran."

**Line 41** — For each employee for whom you are claiming a credit:

**Column A** — Enter the name of the employee.

**Column B** — Enter the Social Security number of the employee.

**Column C** — Enter the amount of qualified wages you paid to this employee during the taxable year.

**Column D** — Multiply the amount in Column C by 20 percent (.20), and enter it here.

**Column F** – Enter the amount from Column D or Column E, whichever is less.

**Line 42** — Follow the instructions on the form.

**Line 43** — Add Lines 41a through 41c, Column F, (including the amounts on any additional schedules you have attached) and Line 42. Enter the result here and on Illinois Schedule K-1-P, Line 52h. This is your total Veterans Jobs Tax Credit.

### ■ Student-Assistance Contribution Credit

For tax years **ending on or after December 31, 2009**, if you are an employer who makes a matching contribution to a qualified Illinois pre-paid tuition program on behalf of your employees, you are entitled to a credit of 25 percent (.25) or \$500 per employee, whichever is less.

**Line 44** – For each employee for whom you made a matching contribution

**Column A** – Enter the name of the employee.

**Column B** – Enter the Social Security number of the employee.

**Column C** – Enter the amount of the matching contribution you made.

**Column D** – Multiply the amount in Column C by 25 percent (.25).

**Column F** – Enter the amount from Column D or Column E, whichever is less.

**Line 45** – Follow the instructions on the form.

**Line 46** – Add Lines 44a through 44c, Column F, (including the amounts on any additional schedule you have attached) and Line 45. Enter the result here and on Illinois Schedule K-1-P, Line 52i. This is your total Student-Assistance Contribution Credit.

### ■ Angel Investment Credit

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 (.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.

To qualify for the credit, you must have applied for and received a tax credit certificate from the DCEO. Contact the DCEO for more information.

**Line 47** – Enter the amount of credit from the tax credit certificate you received from the DCEO.

**Line 48** – Follow the instructions on the form.

**Line 49** – Add Lines 47 and 48. Enter the result here and on Illinois Schedule K-1-P, Line 52j. This is your total Angel Investment Credit.

### ■ New Markets Credit

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.

To qualify for this credit, you must have applied for and received a tax credit certificate from the DCEO. Contact the DCEO for more information.

**Line 50** – Enter the amount of credit from the tax credit certificate you received from the DCEO.

**Line 51** – Follow the instructions on the form.

**Line 52** – Add Lines 50 and 51. Enter the result here and on Illinois Schedule K-1-P, Line 52k. This is your total New Markets Credit.

### ■ River Edge Historic Preservation Credit

**Note** → If your tax year **begins** on or after July 28, 2016, you cannot claim this credit on Schedule 1299-A, Line 53. You may still claim any distributive share of this credit passed through to you on Schedule K-1-P by reporting it on Schedule 1299-A, Line 54.

For tax years **beginning on or after January 1, 2012**, the River Edge Historic Preservation Credit is available for projects located in river edge redevelopment zones. The credit is awarded by the DCEO.

To qualify for this credit, you must have applied for and received a tax credit certificate from the DCEO. Contact the DCEO for more information.

**Line 53** - Enter the amount of credit from the tax credit certificate you received from the DCEO.

**Line 54** – Follow the instructions on the form.

**Line 55** – Add Lines 53 and 54. Enter the result here and on Illinois Schedule K-1-P, Line 52l. This is your total River Edge Historic Preservation Credit.

### ■ Live Theater Production Tax Credit

For tax years **beginning on or after January 1, 2012**, the Live Theater Production Tax Credit is awarded based on applications approved through the DCEO.

To qualify for this credit, you must have

- applied for and received a tax credit certificate from the DCEO, or
- received a certificate from the DCEO showing that a credit was transferred to you.

Contact the DCEO for more information.

**Line 56** – Enter the amount of credit from the tax credit certificate you received from the DCEO, including any credit transferred to you by the person who earned the credit.

**Line 57** – Follow the instructions on the form.

**Line 58** – Add Lines 56 and 57. Enter your total Live Theater Production Tax Credit here and on Schedule K-1-P, Line 52m.

### ■ Hospital Credit

For tax years **ending on or after December 31, 2012**, the Hospital Credit is available to the owner of a hospital that

- is licensed under the Hospital Licensing Act, and
- is not exempt from federal income taxes under the Internal Revenue Code.

The credit is an amount equal to the lesser of the amount of real property taxes paid on Illinois property used for hospital purposes during the prior tax year or the cost of free or discounted services provided during the tax year at Illinois locations in accordance with the hospital's charitable financial assistance policy, measured at cost.

The Hospital Credit may be transferred, either by selling or donating the credit,

- by the taxpayer who originally earned the credit, and
- only if the transfer occurs within one year after the due date of that taxpayer's return, including extensions.

The taxpayer transferring the credit must attach to their Schedule 1299-A a copy of the written notice of the transfer stating the intent to sell or donate the credit, including the amount of credit to be transferred, the date of the transfer, and the name, address, and Federal Employer Identification Number (FEIN) or Social Security number (SSN) of the recipient. A copy of this notice must also be provided to the recipient of the credit.

**Note** When determining the amount of credit you are transferring, do not include amounts that will be distributed to your partners or shareholders on Schedule K-1-P.

If you transfer the credit after your original return has been submitted, you must submit an amended return and all affected supporting documents to report the transfer.

**Line 59 through 61** - Follow the instructions on the form.

**Line 62** - Enter the amount of credit on Line 61 you have transferred or intend to transfer. Do not include amounts you will pass-through to your partners and shareholders on Schedule K-1-P.

**Note** If you report an amount on Line 62, attach a written notice of the transfer.

**Line 63** – Follow the instructions on the form.

**Line 64** – Enter your distributive share from an S corporation or partnership that was reported to you on Illinois Schedule K-1-P and any amount transferred to you. In order to claim amounts reported to you on an Illinois Schedule K-1-P the tax year ending listed on the Illinois Schedule K-1-P you received must fall within your tax year.

**Note** If you report an amount on Line 64, include a copy of the Illinois Schedules K-1-P you received or a copy of the written notice of the transfer that the seller or donator sent to the Illinois Department of Revenue.

**Line 65** – Add Lines 63 and 64. Enter your **Hospital Credit** here and enter each owner's share on Schedule K-1-P, Line 52n.

## Historic Preservation Credit

**Note** If your tax year **ends** after December 31, 2015, you cannot claim this credit on Schedule 1299-A, Line 66. You may still claim any distributive share of this credit passed through to you on Schedule K-1-P by reporting it on Schedule 1299-A, Line 67.

For tax years **beginning on or after January 1, 2011**, the Historic Preservation Credit is the amount awarded by the DCEO under the Historic Preservation Tax Credit Pilot Program Act during the tax year.

To qualify for this credit, you must have

- applied for and received a tax credit certificate from the DCEO, or
- received a certificate from the DCEO showing that a credit was transferred to you.

Contact the DCEO for more information.

**Line 66** – Enter the amount of credit from the tax credit certificate you received from the DCEO, including any credit transferred to you by the person who earned the credit.

**Line 67** – Follow the instructions on the form.

**Line 68** – Add Lines 66 and 67. Enter the result here and on Illinois Schedule K-1-P, Line 52o. This is your total Historic Preservation Credit.