



General Information

What is the purpose of Schedule K-1-P (R&D)?

The partnership or the S corporation listed on the front of Schedule K-1-P (R&D) has completed and provided you with the schedule to reflect your specific share of the 2016 Research and Development Credit. Use the completed schedule and these instructions to help you report the 2016 Research and Development Credit on your Illinois Income Tax return. **Attach a copy of Schedule K-1-P (R&D) to your tax return and keep a copy for your records.**

What must I attach?

You **must** attach a copy of **any Schedule K-1-P (R&D)** you receive from partnerships and S corporations to your tax return. You should also keep a copy for your records.

What if I am a Grantor Trust or Disregarded Entity?

If you are a grantor trust or other disregarded entity for federal and Illinois income tax purposes, check the applicable box on Line 9b, enter the name and identification number of the taxpayer that will report the 2016 Research and Development Credit from your Schedule K-1-P (R&D) on their tax return, and provide them with a copy of the Schedule K-1-P (R&D) and a copy of these instructions.

What if I received Schedule K-1-P (R&D) from a Grantor Trust or Disregarded Entity?

If the grantor trust or disregarded entity checkbox on Line 9b is checked and your name and identification number are listed, report the 2016 Research and Development Credit from the Schedule K-1-P (R&D) as if it were provided to you by the taxpayer in Step 1.

What if I believe the partnership or the S corporation has made an error on my Schedule K-1-P (R&D)?

If you believe the partnership or the S corporation has made an error on your Schedule K-1-P (R&D), notify the partnership or the S corporation and ask for a corrected Schedule K-1-P (R&D). Do not change any items on your copy.

Step-by-Step Instructions

Step 3 - Your share of the 2016 Research and Development Credit —

Line 9 - If the partnership or S corporation has passed a share of the 2016 Research and Development Credit through to you, and you are

- **an individual**, include the amount from Schedule K-1-P (R&D), Line 9, on the supplemental Schedule 1299-C (R&D), Line 8.
- **a trust, an estate, a corporation (excluding S corporations), or an exempt organization**, include the amount from Schedule K-1-P (R&D), Line 9, on the supplemental Schedule 1299-D (R&D), Line 9.
- **a partnership or an S corporation**, include the amount from Schedule K-1-P (R&D), Line 9, on the supplemental Schedule 1299-A (R&D), Line 8.

Attach your Schedule(s) K-1-P (R&D) to your return along with any Schedule(s) K-1-P you receive.

Note If you are filing a business income tax return, Form IL-1120, Form IL-1120-ST, Form IL-1041, or Form IL-1065, file electronically through the Modernized e-File (MeF) system, email your 2016 Schedule K-1-P (R&D) to Rev.BitSupplemental@illinois.gov. If you are an individual filing Form IL-1040, you may not file your return electronically and must attach a copy of your 2016 Schedule K-1-P (R&D) to your return and mail it to the Department. See Form IL-1040 for the correct mailing address.

Review the instructions for the supplemental schedule (Schedules 1299-A (R&D), 1299-C (R&D), or 1299-D (R&D)) that applies to your tax type to ensure you claim the 2016 Research and Development Credit correctly on your tax return.