

TITLE 86: REVENUE
CHAPTER I: DEPARTMENT OF REVENUE

PART 100
INCOME TAX

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407 AUTHORITY: Implementing Section 505 of the Illinois Income Tax Act [35 ILCS 5] as
 408 authorized by Section 1401 of the Illinois Income Tax Act [35 ILCS 5] and Section 2505-795 of
 409 the Civil Administrative Code of Illinois (Department of Revenue Law) [20 ILCS 2505].

410

411 SOURCE: Filed July 14, 1971, effective July 24, 1971; amended at 2 Ill. Reg. 49, p. 84,
 412 effective November 29, 1978; amended at 5 Ill. Reg. 813, effective January 7, 1981; amended at
 413 5 Ill. Reg. 4617, effective April 14, 1981; amended at 5 Ill. Reg. 4624, effective April 14, 1981;
 414 amended at 5 Ill. Reg. 5537, effective May 7, 1981; amended at 5 Ill. Reg. 5705, effective May
 415 20, 1981; amended at 5 Ill. Reg. 5883, effective May 20, 1981; amended at 5 Ill. Reg. 6843,
 416 effective June 16, 1981; amended at 5 Ill. Reg. 13244, effective November 13, 1981; amended at
 417 5 Ill. Reg. 13724, effective November 30, 1981; amended at 6 Ill. Reg. 579, effective December
 418 29, 1981; amended at 6 Ill. Reg. 9701, effective July 26, 1982; amended at 7 Ill. Reg. 399,
 419 effective December 28, 1982; amended at 8 Ill. Reg. 6184, effective April 24, 1984; codified at 8
 420 Ill. Reg. 19574; amended at 9 Ill. Reg. 16986, effective October 21, 1985; amended at 9 Ill. Reg.
 421 685, effective December 31, 1985; amended at 10 Ill. Reg. 7913, effective April 28, 1986;
 422 amended at 10 Ill. Reg. 19512, effective November 3, 1986; amended at 10 Ill. Reg. 21941,
 423 effective December 15, 1986; amended at 11 Ill. Reg. 831, effective December 24, 1986;
 424 amended at 11 Ill. Reg. 2450, effective January 20, 1987; amended at 11 Ill. Reg. 12410,
 425 effective July 8, 1987; amended at 11 Ill. Reg. 17782, effective October 16, 1987; amended at 12
 426 Ill. Reg. 4865, effective February 25, 1988; amended at 12 Ill. Reg. 6748, effective March 25,
 427 1988; amended at 12 Ill. Reg. 11766, effective July 1, 1988; amended at 12 Ill. Reg. 14307,
 428 effective August 29, 1988; amended at 13 Ill. Reg. 8917, effective May 30, 1989; amended at 13
 429 Ill. Reg. 10952, effective June 26, 1989; amended at 14 Ill. Reg. 4558, effective March 8, 1990;
 430 amended at 14 Ill. Reg. 6810, effective April 19, 1990; amended at 14 Ill. Reg. 10082, effective

431 June 7, 1990; amended at 14 Ill. Reg. 16012, effective September 17, 1990; emergency
 432 amendment at 17 Ill. Reg. 473, effective December 22, 1992, for a maximum of 150 days;
 433 amended at 17 Ill. Reg. 8869, effective June 2, 1993; amended at 17 Ill. Reg. 13776, effective
 434 August 9, 1993; recodified at 17 Ill. Reg. 14189; amended at 17 Ill. Reg. 19632, effective
 435 November 1, 1993; amended at 17 Ill. Reg. 19966, effective November 9, 1993; amended at 18
 436 Ill. Reg. 1510, effective January 13, 1994; amended at 18 Ill. Reg. 2494, effective January 28,
 437 1994; amended at 18 Ill. Reg. 7768, effective May 4, 1994; amended at 19 Ill. Reg. 1839,
 438 effective February 6, 1995; amended at 19 Ill. Reg. 5824, effective March 31, 1995; emergency
 439 amendment at 20 Ill. Reg. 1616, effective January 9, 1996, for a maximum of 150 days; amended
 440 at 20 Ill. Reg. 6981, effective May 7, 1996; amended at 20 Ill. Reg. 10706, effective July 29,
 441 1996; amended at 20 Ill. Reg. 13365, effective September 27, 1996; amended at 20 Ill. Reg.
 442 14617, effective October 29, 1996; amended at 21 Ill. Reg. 958, effective January 6, 1997;
 443 emergency amendment at 21 Ill. Reg. 2969, effective February 24, 1997, for a maximum of 150
 444 days; emergency expired July 24, 1997; amended at 22 Ill. Reg. 2234, effective January 9, 1998;
 445 amended at 22 Ill. Reg. 19033, effective October 1, 1998; amended at 22 Ill. Reg. 21623,
 446 effective December 15, 1998; amended at 23 Ill. Reg. 3808, effective March 11, 1999; amended
 447 at 24 Ill. Reg. 10593, effective July 7, 2000; amended at 24 Ill. Reg. 12068, effective July 26,
 448 2000; emergency amendment at 24 Ill. Reg. 17585, effective November 17, 2000, for a
 449 maximum of 150 days; amended at 24 Ill. Reg. 18731, effective December 11, 2000; amended at
 450 25 Ill. Reg. 4640, effective March 15, 2001; amended at 25 Ill. Reg. 4929, effective March 23,
 451 2001; amended at 25 Ill. Reg. 5374, effective April 2, 2001; amended at 25 Ill. Reg. 6687,
 452 effective May 9, 2001; amended at 25 Ill. Reg. 7250, effective May 25, 2001; amended at 25 Ill.
 453 Reg. 8333, effective June 22, 2001; amended at 26 Ill. Reg. 192, effective December 20, 2001;
 454 amended at 26 Ill. Reg. 1274, effective January 15, 2002; amended at 26 Ill. Reg. 9854, effective
 455 June 20, 2002; amended at 26 Ill. Reg. 13237, effective August 23, 2002; amended at 26 Ill. Reg.
 456 15304, effective October 9, 2002; amended at 26 Ill. Reg. 17250, effective November 18, 2002;
 457 amended at 27 Ill. Reg. 13536, effective July 28, 2003; amended at 27 Ill. Reg. 18225, effective
 458 November 17, 2003; emergency amendment at 27 Ill. Reg. 18464, effective November 20, 2003,
 459 for a maximum of 150 days; emergency expired April 17, 2004; amended at 28 Ill. Reg. 1378,
 460 effective January 12, 2004; amended at 28 Ill. Reg. 5694, effective March 17, 2004; amended at
 461 28 Ill. Reg. 7125, effective April 29, 2004; amended at 28 Ill. Reg. 8881, effective June 11,
 462 2004; emergency amendment at 28 Ill. Reg. 14271, effective October 18, 2004, for a maximum
 463 of 150 days; amended at 28 Ill. Reg. 14868, effective October 26, 2004; emergency amendment
 464 at 28 Ill. Reg. 15858, effective November 29, 2004, for a maximum of 150 days; amended at 29
 465 Ill. Reg. 2420, effective January 28, 2005; amended at 29 Ill. Reg. 6986, effective April 26,
 466 2005; amended at 29 Ill. Reg. 13211, effective August 15, 2005; amended at 29 Ill. Reg. 20516,
 467 effective December 2, 2005; amended at 30 Ill. Reg. 6389, effective March 30, 2006; amended at
 468 30 Ill. Reg. 10473, effective May 23, 2006; amended by 30 Ill. Reg. 13890, effective August 1,
 469 2006; amended at 30 Ill. Reg. 18739, effective November 20, 2006; amended at 31 Ill. Reg.
 470 16240, effective November 26, 2007; amended at 32 Ill. Reg. 872, effective January 7, 2008;
 471 amended at 32 Ill. Reg. 1407, effective January 17, 2008; amended at 32 Ill. Reg. 3400, effective
 472 February 25, 2008; amended at 32 Ill. Reg. 6055, effective March 25, 2008; amended at 32 Ill.
 473 Reg. 10170, effective June 30, 2008; amended at 32 Ill. Reg. 13223, effective July 24, 2008;

474 amended at 32 Ill. Reg. 17492, effective October 24, 2008; amended at 33 Ill. Reg. 1195,
 475 effective December 31, 2008; amended at 33 Ill. Reg. 2306, effective January 23, 2009; amended
 476 at 33 Ill. Reg. 14168, effective September 28, 2009; amended at 33 Ill. Reg. 15044, effective
 477 October 26, 2009; amended at 34 Ill. Reg. 550, effective December 22, 2009; amended at 34 Ill.
 478 Reg. 3886, effective March 12, 2010; amended at 34 Ill. Reg. 12891, effective August 19, 2010;
 479 amended at 35 Ill. Reg. 4223, effective February 25, 2011; amended at 35 Ill. Reg. 15092,
 480 effective August 24, 2011; amended at 36 Ill. Reg. 2363, effective January 25, 2012; amended at
 481 36 Ill. Reg. 9247, effective June 5, 2012; amended at 37 Ill. Reg. 5823, effective April 19, 2013;
 482 amended at 37 Ill. Reg. 20751, effective December 13, 2013; recodified at 38 Ill. Reg. 4527;
 483 amended at 38 Ill. Reg. 9550, effective April 21, 2014; amended at 38 Ill. Reg. 13941, effective
 484 June 19, 2014; amended at 38 Ill. Reg. 15994, effective July 9, 2014; amended at 38 Ill. Reg.
 485 17043, effective July 23, 2014; amended at 38 Ill. Reg. 18568, effective August 20, 2014;
 486 amended at 38 Ill. Reg. 23158, effective November 21, 2014; emergency amendment at 39 Ill.
 487 Reg. 483, effective December 23, 2014, for a maximum of 150 days; amended at 39 Ill. Reg.
 488 1768, effective January 7, 2015; amended at 39 Ill. Reg. 5057, effective March 17, 2015;
 489 amended at 39 Ill. Reg. 6884, effective April 29, 2015; amended at 39 Ill. Reg. 15594, effective
 490 November 18, 2015; amended at 40 Ill. Reg. 1848, effective January 5, 2016; amended at 40 Ill.
 491 Reg. 10925, effective July 29, 2016; amended at 40 Ill. Reg. 13432, effective September 7, 2016;
 492 amended at 40 Ill. Reg. 14762, effective October 12, 2016; amended at 40 Ill. Reg. 15575,
 493 effective November 2, 2016; amended at 41 Ill. Reg. 4193, effective March 27, 2017; amended
 494 at 41 Ill. Reg. 6379, effective May 22, 2017; amended at 41 Ill. Reg. 10662, effective August 3,
 495 2017; amended at 41 Ill. Reg. 12608, effective September 21, 2017; amended at 41 Ill. Reg.
 496 14217, effective November 7, 2017; emergency amendment at 41 Ill. Reg. 15097, effective
 497 November 30, 2017, for a maximum of 150 days; amended at 42 Ill. Reg. 4953, effective
 498 February 28, 2018; amended at 42 Ill. Reg. 6451, effective March 21, 2018; recodified Subpart H
 499 to Subpart G at 42 Ill. Reg. 7980; amended at 42 Ill. Reg. 17852, effective September 24, 2018;
 500 amended at 42 Ill. Reg. 19190, effective October 12, 2018; amended at 43 Ill. Reg. 727, effective
 501 December 18, 2018; amended at 43 Ill. Reg. 10124, effective August 27, 2019; amended at 44
 502 Ill. Reg. 2363, effective January 17, 2020; amended at 44 Ill. Reg. 2845, effective January 30,
 503 2020; emergency amendment at 44 Ill. Reg. 4700, effective March 4, 2020, for a maximum of
 504 150 days; emergency expired July 31, 2020; amended at 44 Ill. Reg. 10907, effective June 10,
 505 2020; emergency amendment at 44 Ill. Reg. 11208, effective June 17, 2020, for a maximum of
 506 150 days; emergency expired November 13, 2020; amended at 44 Ill. Reg. 17414, effective
 507 October 13, 2020; amended at 45 Ill. Reg. 2006, effective January 29, 2021; amended at 45 Ill.
 508 Reg. 5523, effective April 15, 2021; amended at 46 Ill. Reg. 13312, effective July 12, 2022;
 509 amended at 46 Ill. Reg. 14550, effective August 2, 2022; amended at 46 Ill. Reg. 15317,
 510 effective August 24, 2022; amended at 46 Ill. Reg. 18102, effective October 26, 2022; amended
 511 at 47 Ill. Reg. 1402, effective January 10, 2023; amended at 47 Ill. Reg. 2093, effective January
 512 24, 2023; amended at 47 Ill. Reg. 5726, effective April 4, 2023; amended at 47 Ill. Reg. 6030,
 513 effective April 12, 2023; amended at 47 Ill. Reg. 13669, effective September 11, 2023;
 514 emergency amendment at 47 Ill. Reg. 17214, effective November 6, 2023, for a maximum of 150
 515 days; amended at 48 Ill. Reg. 1677, effective January 10, 2024; amended at 48 Ill. Reg. 2243,
 516 effective January 29, 2024; amended at 48 Ill. Reg. 4433, effective March 11, 2024; amended at

517 48 Ill. Reg. 10281, effective June 25, 2024; amended at 48 Ill. Reg. 10846, effective July 11,
518 2024; emergency amendment at 48 Ill. Reg. 17848, effective November 26, 2024, for a
519 maximum of 150 days; amended at 49 Ill. Reg. _____, effective _____.

520
521 SUBPART B: CREDITS

522
523 Section 100.2161 Quantum Computing Campuses Tax Credit (IITA Section 241)

- 524
- 525 a) For tax years ending on or after June 26, 2024 (the effective date of Public Act
526 103-0595), each taxpayer who has been awarded a credit by the Department of
527 Commerce and Economic Opportunity (DCEO) is allowed a credit against the
528 taxes imposed under IITA Section 201(a) and (b) in an amount equal to 20% of
529 the wages paid by the taxpayer during the taxable year to a full-time or part-time
530 employee of a construction contractor employed in the construction of an eligible
531 facility located on a quantum computing campus. (IITA Section 241(a))
532
- 533 b) For purposes of this Section, the term "quantum computing campus" shall have
534 the same meaning as when used in Section 605-1115(a) of the Civil
535 Administrative Code of Illinois (Department of Commerce and Economic
536 Opportunity Law) (DCEO Law) [20 ILCS 605].
537
- 538 c) An "eligible facility" means a building used primarily to house one or more of the
539 following:
540
- 541 1) A quantum computer operator;
542
- 543 2) A research facility;
544
- 545 3) A data center (as defined in Section 605-1115(a) of the DCEO Law);
546
- 547 4) A manufacturer and assembler of quantum computers and component
548 parts;
549
- 550 5) A cryogenic or refrigeration facility; or
551
- 552 6) Any other facility determined, by industry and academic leaders, to be
553 fundamental to the research and development of quantum computing for
554 practical solutions. (IITA Section 241(e))
555
- 556 d) The amount of the credit shall be determined by DCEO and shall be the amount
557 shown on the tax credit certificate issued by DCEO to the taxpayer.
558

559 e) In no event shall a credit under this Section reduce the taxpayer's liability to less
560 than zero. If the amount of the credit exceeds the tax liability for the year, the
561 excess may be carried forward and applied to the tax liability of the 5 taxable
562 years following the excess credit year. The tax credit shall be applied to the
563 earliest year for which there is a tax liability. If there are credits for more than
564 one year that are available to offset a liability, the earlier credit shall be applied
565 first. (IITA Section 241(b))

566
567 f) Partnerships and Subchapter S Corporations

568
569 1) If the taxpayer is a partnership or a Subchapter S corporation, the credit
570 shall be allowed to the partners or shareholders in accordance with the
571 determination of income and distributive share of income under Sections
572 702 and 704 and subchapter S of the Internal Revenue Code, or as
573 otherwise agreed by the partners or shareholders, provided that such
574 agreement shall be executed in writing prior to the due date of the return
575 for the taxable year and meet such other requirements as the Department
576 may establish by rule. Partnership has the meaning prescribed in IITA
577 Section 1501(a)(16). (IITA Section 251)

578
579 2) The credit earned by a partnership or a subchapter S corporation will be
580 treated as earned by its owners as of the last day of the taxable year of the
581 partnership or subchapter S corporation in which the tax credit certificate
582 is issued by DCEO under Section 605-1115(c) of the DCEO Law.

583
584 3) The credit shall be allowed to each owner in the taxable year of the owner
585 in which the taxable year of the partnership or subchapter S corporation
586 ends and may be carried forward to the 5 succeeding taxable years of the
587 owner until used.

588
589 4) Any credit passed through to a partnership or subchapter S corporation
590 under this subsection shall pass through to its partners or shareholders in
591 the same manner as a credit earned by the partnership or subchapter S
592 corporation.

593
594 g) To claim the credit, a taxpayer shall attach to its Illinois income tax return for the
595 taxable year:

596
597 1) a copy of the tax credit certificate and annual certification (if any) issued
598 by DCEO; and

599

- 600 2) in the case of a partner in a partnership or shareholder of a subchapter S
601 corporation that earned the credit, a Schedule K-1-P or other written
602 statement from the partnership or subchapter S corporation stating:
603
604 A) the portion of the total credit shown on the tax credit certificate
605 that is allowed to that partner or shareholder; and
606
607 B) the taxable year of the partnership or subchapter S corporation in
608 which the tax credit certificate was issued. (IITA Section 241(c))
609
610 h) The credit may not be transferred or sold.
611
612 i) This credit is exempt from the sunset provisions of IITA Section 250. (IITA
613 Section 241(f))

614
615 (Source: Added at 49 Ill. Reg. _____, effective _____)

616 SUBPART V: EMPLOYER'S RETURN AND PAYMENT OF TAX WITHHELD

617
618
619 Section 100.7385 Live Theater Production Tax Credit (IITA Section 704A(k))

- 620
621 a) An employer may claim a Live Theater Production Tax Credit against
622 withholding payments due under IITA Section 704A(c) for a non-profit theater
623 production. (IITA Section 704A(k))
624
625 b) For purposes of the Live Theater Production Tax Credit, the term "non-profit
626 theater production" shall have the same meaning as when used in Section 10-10 of
627 the Live Theater Production Tax Credit Act [35 ILCS 17].
628
629 c) The amount of the credit shall be determined by the Department of Commerce
630 and Economic Opportunity (DCEO) and shall be the amount shown on the tax
631 credit certificate issued by DCEO to the taxpayer.
632
633 d) The credit may be taken against payments due for withholding reporting periods
634 beginning on or after January 1, 2025, and ending before January 1, 2027. (IITA
635 Section 704A(k))
636
637 1) For purposes of this Section, "reporting period" means the quarter for
638 which a withholding tax return is required to be filed under IITA Section
639 704A(b).
640
641 2) The credit shall be applied to the first quarterly reporting period
642 beginning after the end of the quarterly reporting period in which the tax

643 credit certificate is issued by DCEO and begins on or after January 1,
644 2025. (IITA Section 704A(k))

645
646 EXAMPLE: The taxpayer is issued a tax credit certificate by DCEO in
647 the amount of \$25,000. The tax credit certificate is dated March 17, 2025.
648 The taxpayer is allowed a credit of \$25,000 against withholding payments
649 due under IITA Section 704A(c) in its first quarterly reporting period that
650 begins after the end of the quarterly reporting period in which the tax
651 credit certificate is issued to the taxpayer. Since the tax credit certificate
652 was issued to the taxpayer during the first withholding quarter of 2025, the
653 taxpayer may claim the credit against any payments due in the second
654 withholding quarter of 2025.

655
656 e) A copy of the tax credit certificate shall be attached to the taxpayer's quarterly
657 withholding tax return.

658
659 f) The credit may not be transferred or sold.

660
661 g) A taxpayer who has been issued a tax credit certificate by DCEO for a non-profit
662 theater production shall not be allowed to claim that credit amount against the tax
663 imposed under IITA Section 201(a) and (b).

664
665 h) The credit may not reduce the taxpayer's obligation for any payment due under
666 IITA Section 704A to less than zero. If the amount of the credit exceeds the total
667 amount due under IITA Section 704A with respect to amounts withheld during
668 the quarterly reporting period, the excess may be carried forward and applied
669 against the taxpayer's liability under IITA Section 704A in succeeding quarterly
670 reporting periods for the 20 quarterly reporting periods following the initial
671 excess credit period, or until it has been fully utilized, whichever occurs first. The
672 credit shall be applied to the earliest quarterly reporting period for which there is
673 a payment due under IITA Section 704A. If there are credits from more than one
674 quarterly reporting period that are available to offset a liability, the earlier credit
675 shall be applied first. (IITA Section 704A(k))

676
677 EXAMPLE: The taxpayer is issued a tax credit certificate by DCEO in the
678 amount of \$25,000 during its withholding quarterly reporting period ending June
679 30, 2025. Under IITA Section 704A(k) and this Section, the taxpayer is allowed a
680 credit of \$25,000 against withholding payments due under IITA Section 704A(c)
681 in its quarterly reporting period ending September 30, 2025. The taxpayer
682 withheld tax during its withholding quarter ending September 30, 2025, of
683 \$4,000. Under IITA Section 704A(k) and this Section, the taxpayer's credit may

684 not exceed \$4,000. The taxpayer is allowed to carry forward the \$21,000 excess
685 credit for application against its withholding liability in the succeeding quarterly
686 reporting periods for 20 quarterly reporting periods following the initial excess
687 credit period, or until the first succeeding quarterly reporting period that utilizes
688 the remaining excess credit, whichever occurs first. If the taxpayer withheld tax
689 during its withholding quarter ending December 31, 2025, of \$1,000, then the
690 taxpayer is allowed to carry forward the \$20,000 excess credit to its withholding
691 liability for the March 31, 2026, reporting period.

692
693 (Source: Added at 49 Ill. Reg. _____, effective _____)

694
695 **Section 100.7386 Local Journalism Sustainability Tax Credit (IITA Section 704A(k))**

- 696
697 a) A taxpayer who is issued a tax credit certificate under the Local Journalism
698 Sustainability Act for a taxable year shall be allowed a credit against payments
699 due under IITA Section 704A(c) and this Section as provided in that Act. (IITA
700 Section 704A(k))
- 701
702 b) Employers that maintain tax status under Section 501(c)(3) of the federal Internal
703 Revenue Code, that are local news organizations and that are required to deduct
704 and withhold taxes as provided in IITA Section 704A, may claim a Local
705 Journalism Sustainability Tax Credit against withholding payments due under
706 IITA Section 704A(c). (35 ILCS 18/40-10)
- 707
708 c) For purposes of the Local Journalism Sustainability Tax Credit, the term "local
709 news organization" shall have the same meaning as when used in Section 40-5 of
710 the Local Journalism Sustainability Act [35 ILCS 18].
- 711
712 d) The amount of the credit shall be determined by the Department of Commerce
713 and Economic Opportunity (DCEO) and shall be the amount shown on the tax
714 credit certificate issued by DCEO to the taxpayer.
- 715
716 e) The credit may be taken against payments due for withholding reporting periods
717 that begin on or after January 1, 2025, and end before January 1, 2030. (35
718 ILCS 18/40-10)
- 719
720 1) For purposes of this Section, "reporting period" means the quarter for
721 which a withholding tax return is required to be filed under IITA Section
722 704A(b).
- 723
724 2) The credit shall be applied to the first quarterly reporting period
725 beginning after the end of the quarterly reporting period in which the tax

726 credit certificate is issued by DCEO and begins on or after January 1,
727 2025. (35 ILCS 18/40-10)

728
729 EXAMPLE: The taxpayer is issued a tax credit certificate by DCEO in
730 the amount of \$25,000. The tax credit certificate is dated March 17, 2025.
731 The taxpayer is allowed a credit of \$25,000 against withholding payments
732 due under IITA Section 704A(c) in its first quarterly reporting period that
733 begins after the end of the quarterly reporting period in which the tax
734 credit certificate is issued to the taxpayer. Since the tax credit certificate
735 was issued to the taxpayer during the first withholding quarter of 2025, the
736 taxpayer may claim the credit against any payments due in the second
737 withholding quarter of 2025.

738
739 f) A copy of the tax credit certificate shall be attached to the taxpayer's quarterly
740 withholding tax return. (35 ILCS 18/40-10)

741
742 g) The credit may not be transferred or sold.

743
744 h) No carryover of excess credit is allowed. If the amount of the credit exceeds the
745 liability for the reporting period, the excess credit shall be refunded to the
746 taxpayer. (35 ILCS 18/40-10)

747
748 (Source: Added at 49 Ill. Reg. _____, effective _____)