



2017 Schedule 1299-D Instructions

What's new for 2017?

- Economic Development for a Growing Economy (EDGE) Tax Credit has been extended to tax years ending on or before June 30, 2022. See Specific Instructions for more information.
- Public Act 100-0022 has retroactively restored the Research and Development Credit for tax years ending after December 31, 2015. See Specific Instructions for more information.
- Public Act 100-0328 has retroactively restored the Angel Investment Credit for tax years ending after December 31, 2016 and on or before December 31, 2021. See Specific Instructions for more information.
- Public Act 100-0408 has extended the period of qualifying investments for the New Markets Development Credit to the end of the 2021 taxable year for fiscal-year filers. See Specific Instructions for more information.
- The River Edge Historic Preservation Credit has been extended to tax years ending prior to January 1, 2022. Tax years ending on December 31, 2017, will be the final year the five year credit carry forward can be earned. Any River Edge Historic Preservation credit claimed on a return filed for a taxable year ending on or after December 31, 2018, cannot be carried forward. See Specific Instructions for more information.
- Public Act 100-0415 provides the Live Theater Production Tax Credit applies to tax years beginning on or after January 1, 2012 and beginning prior to January 1, 2022. See Specific Instructions for more information.
- Public Act 100-0587, commonly referred to as the FY2019 Budget Implementation Act, has retroactively extended the Hospital Credit until tax years ending on or before December 31, 2022. For taxpayers with a tax year beginning on or after June 14, 2017, you may now claim this credit on this form. See the specific line instructions for more information.
- An Other Credits Line, for credits which may be carried forward for five years but for which no specific line has been provided on Schedule 1299-D and which are allowed by the Illinois Income Tax Act (IITA), has been added to Schedule 1299-D. See Specific Instructions for more information.

The following credits have expired and been removed from the 2017 1299-D:

- River Edge Redevelopment Zone Investment Credit
- River Edge Redevelopment Zone Remediation Credit
- Veterans Jobs Credit

General Information

Complete this schedule if you are filing Form IL-1120, Corporation Income and Replacement Tax Return, Form IL-1041, Fiduciary Income and Replacement Tax Return, or Form IL-990-T, Exempt Organization Income and Replacement Tax Return, and are entitled to the following credits:

- TECH-PREP Youth Vocational Programs Credit
- Dependent Care Assistance Program Credit
- Film Production Services Tax Credit
- Employee Child Care Tax Credit (Form IL-1120 filers only)
- Enterprise Zone Investment Credit
- High Impact Business 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
- Student-Assistance Contribution Credit
- Angel Investment Credit
- New Markets Credit
- River Edge Historic Preservation Credit
- Live Theater Production Tax Credit
- Hospital Credit
- Other Credits

If you are filing an Illinois combined unitary return, complete one Illinois Schedule 1299-D for the entire unitary business group.

Note See the Department of Commerce and Economic Opportunity (DCEO) website for a list of enterprise zones, and DCEO contact information.

What must I attach?

Attach Schedule K-1-P, Partner's or Shareholder's Share of Income, Deductions, Credits, and Recapture, if

- you are a partner in a partnership or a shareholder in an S corporation, and you received a Schedule K-1-P from the partnership or S corporation showing an amount of credit that you may claim on your Schedule 1299-D. 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 All income credits are distributable by partnerships and S corporations and require Schedule K-1-P to support distributive share amounts, **except**

- TECH-PREP Youth Vocational Programs Credit
- Dependent Care Assistance Program Credit
- Employee Child Care Tax Credit
- High Impact Business Investment Credit

Attach Certificates issued by DCEO if

- you entered into an agreement with DCEO and 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 DCEO, who then issued you a tax certificate indicating the name of credit and the amount of credit allowed in this taxable year.

Note Any credit administered by 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

Attach Any other documents required by the Illinois Department of Revenue and noted in these instructions.

- 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 transferred the **Hospital Credit**, attach a written notice of the transfer that you issued to the transferee. If you claim the **Hospital Credit** because the credit was transferred to you, you must attach a copy of the written notice of the transfer that the seller or donor sent to the Department of Revenue. See the specific instructions for more information.

- If you claim an **Other Credit which can be carried for five years**, you must attach any documentation as required by the IITA, the Illinois Income Tax Regulations, or these instructions.

Note Failure to follow these instructions and attach required documentation will delay the processing of your return, result in the disallowance the subtraction or credit, or result in you receiving further correspondence from the Department. You also may be required to submit further information to support your filing.

Definitions for completing Schedule 1299-D

TECH-PREP Youth Vocational Programs Credit

“**Qualifying TECH-PREP programs**” are those certified by the Illinois State Board of Education.

Employee Child Care Tax Credit

“**Start-up costs**” include planning, site-preparation, construction, renovation, or acquisition of a child care facility.

Enterprise Zone and High Impact Business 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 High Impact Business 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.

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 credits

Section A — Credits which can be carried for two years

If there is any excess of these credits, you may carry it forward for two years. This is figured in Step 3. You must use this excess credit in proportion to its share of the total excess two-year credit available for the year in which the credit was earned.

TECH-PREP Youth Vocational Programs Credit

You may take this credit if

- you are primarily engaged in manufacturing, and
- you have direct payroll expenses for qualifying cooperative secondary school youth vocational programs in Illinois, or you pay for personal services performed by a TECH-PREP student or instructor who would be subject to withholding if they were employed by you and no other credit is claimed by the actual employer.

You may not take this credit for programs with national standards that have been or will be approved by the U.S. Department of Labor, Bureau of Apprenticeship Training, or any federal agency succeeding to the responsibilities of that bureau.

Line 1 – Add the amount of direct payroll expenses for cooperative secondary school youth vocational programs and the amount paid to a TECH-PREP student or instructor employed by you for personal services performed. Enter the total amount on the line provided.

Multiply the total amount by 20 percent (.20), and enter the result on Line 1. This is your TECH-PREP Youth Vocational Programs Credit.

Dependent Care Assistance Program Tax Credit

To qualify for this credit,

- you must be primarily engaged in manufacturing, and
- your on-site facility dependent care assistance program must be in Illinois and on the premises of your workplace.

Line 2 – Enter the amount of your expenses, reported under the IRC Section 129(d)(7), that were used for on-site dependent care.

Multiply this amount by 5 percent (.05), and enter the result on Line 2. This is your Dependent Care Assistance Program Tax Credit.

Line 3 – Total credits that may be carried forward for two years.

Add Lines 1 and 2. Enter this amount on Line 3 and Step 2, Line 12.

Section B — Credits which can be carried for five years

If there is any excess of these credits, you may carry it forward for five years. This is figured in Step 3. You must use this excess credit in proportion to its share of the total excess credit available for the year in which the credit was earned.

Note For several credits, you may have more qualifying items than space provided on Schedule 1299-D. For any of these credits in which you exceed the allotted space on the schedule, attach a separate attachment in the same format as Illinois Schedule 1299-D.

Include the individual amounts from multiple schedules in the total line for each credit on Schedule 1299-D. **Do not enter the total on your attachment pages.**

For example, if you have more than three qualifying properties for the Enterprise Zone Investment Credit, attach an additional sheet in the same format provided on the Schedule 1299-D. Add the totals from the 1299-D and the attachment and enter the total on Schedule 1299-D, Line 12.

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-D.

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 DCEO, or
- received a certificate from DCEO showing that a credit was transferred to you.

Contact DCEO for more information.

Line 4 – Enter the amount of credit from the tax credit certificate you received from DCEO, including any amount transferred to you by the person who earned the credit.

Line 5 – Follow the instructions on the form.

Line 6 – Add the amounts on Lines 4 and 5, and enter the result. This is your Film Production Services Tax Credit.

Employee Child Care Tax Credit

You may take this credit if

- you file Form IL-1120, and
- you provide a child care facility, located in Illinois, for the children of your employees.

Note You must keep records documenting all costs for which the credit is being claimed.

This is a two-part income tax credit.

Part one – For tax years ending on or after **December 31, 2007**, a credit of 30 percent (.30) of the “start-up costs” spent by you to provide a child care facility for the children of your employees.

Line 7 – Enter the total amount of “start-up costs” to provide the child care facility. Multiply this amount by 30 percent (.30), and enter the result on Line 7.

Part two – Allows a credit of 5 percent (.05) of the annual amount paid by you to provide the child care facility for your employees’ children.

Line 8 – Enter the annual amount paid to provide the child care facility. Multiply this amount by 5 percent (.05), and enter the result on Line 8.

Note The 5 percent (.05) credit cannot be claimed if the Dependent Care Assistance Program Tax Credit is claimed.

Line 9 – Add the amounts on Lines 7 and 8, and enter the result on Line 9. This is your Employee Child Care Tax Credit.

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 the DCEO website.

Line 10 –

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 or river edge redevelopment zone.

Column G – If you placed property in service in an enterprise zone, the credit rate is .005.

Column H – Multiply each entry in Column F by the amount in Column G, and enter the result in Column H.

Lines 11 – Follow the instructions on the form.

Lines 12 – Add the amounts in Column H, Lines 10a through 10c, (including the amounts on any additional schedules you have attached) and Line 11 and enter the result on Line 12. This is your Enterprise Zone Investment Credit.

Line 13 – Add Lines 6, 9, and 12. Enter the total here and on Page 2, Line 14.

■ High Impact Business Investment Credit

You may take this credit if

- your business has been designated as a high impact business,
- you placed qualified property in service on or after the date the business was designated as a high impact business and within the tax year, and
- you continued to use the qualified property on the last day of your tax year.

You may not take this credit

- if the property is eligible for the Enterprise Zone or River Edge Redevelopment Zone Investment Credit.
- until the minimum investments in qualified property required under Section 5.5 of the Illinois Enterprise Zone Act have been satisfied.

You should take the credit applicable to the minimum investments in the tax year the minimum investments were completed. Credit for additional investments (beyond the minimum investments) is available only in the year the qualified property is placed in service.

Line 15 –

Column A – Describe each item of qualified property placed in service in Illinois.

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 – Leave this column blank.

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 or river edge redevelopment zone.

Column G – Multiply each entry in Column F by .5 percent (.005) and enter the result in Column G.

Line 16 – Add the amounts in Column G, Lines 15a through 15c (including the amounts on any additional schedules you have attached). Enter the result on Line 16. This is your High Impact Business Investment Credit.

■ 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
- you made the donation in a tax year **ending on or after** December 31, 2001.

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

Line 17 – 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 17.

Line 18 – Follow the instructions on the form.

Line 19 – Add the amounts on Lines 17 and 18, and enter the result on Line 19. This is your Tax Credit for Affordable Housing Donations.

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

You may take this credit if

- you have entered into an agreement with 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 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 you 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 DCEO, and apply no more than 60 percent of the maximum credit per year.

Contact DCEO for more information regarding the EDGE Program.

Lines 20 and 21 – Follow the instructions on the form.

Line 22 – Add the amounts on Lines 20 and 21, and enter the result on Line 22. This is your Economic Development for a Growing Economy (EDGE) Tax Credit.

■ Research and Development Credit

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 23 through 27 – 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.

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 26 through 29) must be annualized as follows:
(qualified expenses x number of days taxable by Illinois) ÷ (365).

Lines 28 and 29 – Follow the instructions on the form.

Line 30 – Multiply Line 29 by 6.5 percent (.065), and enter the result here.

Line 31 – Enter your distributive share from an S corporation or partnership that was reported to you on Illinois Schedule K-1-P.

Line 32 – Add the amounts on Lines 32 and 33 and enter the result here and each owner’s share on Schedule K-1-P, Line 52e. 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 33 – 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 5 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 34 – Follow the instructions on the form.

Line 35– Add Column I, Lines 33a through 33c, (including the amounts on any additional schedules you have attached) and Line 34. This is your total Ex-Felons Jobs Credit.

Line 36 – Add Lines 14, 16, 19, 22, 32, and 35. Enter the total here and on Page 3, Line 37.

■ 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) of the contribution for each employee or \$500 per employee, whichever is less.

Line 38 – 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 the amount from Column E, whichever is less.

Line 39 – Follow the instructions on the form.

Line 40 – Add Column F, Lines 38a through 38c, (including the amounts on any additional schedules you have attached) and Line 39. This is your total Student-Assistance Contribution Credit.

Note You also must enter the total amount of credits claimed on Line 40 on your Schedule M, Step 2, Line 7.

■ Angel Investment Credit

For tax years **beginning on or after January 1, 2011, and ending on or before December 31, 2021**, 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 DCEO. Contact DCEO for more information.

Line 41 – Enter the amount of credit from the tax credit certificate you received from DCEO.

Line 42 – Follow the instructions on the form.

Line 43 – Add Lines 41 and 42. This is your total Angel Investment Credit.

■ New Markets Credit

The New Markets Credit is allowed for qualified investments made between 2008 and 2021 in a community development entity. Credits are allowed on the second anniversary of the investment, and the next four anniversaries.

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

Line 44 – Enter the amount of credit from the tax credit certificate you received from DCEO.

Line 45 – Follow the instructions on the form.

Line 46 – Add Lines 44 and 45. This is your total New Markets Credit.

■ River Edge Historic Preservation Credit

For tax years **beginning on or after January 1, 2012, and ending prior to January 1, 2022**, the River Edge Historic Preservation Credit is available for projects located in river edge redevelopment zones. The credit is awarded by DCEO.

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

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

Line 48 – Follow the instructions on the form.

Line 49 – Add Lines 47 and 48. This is your total River Edge Historic Preservation Credit.

Note Tax years ending on December 31, 2017, will be the final year the five year credit carry forward can be earned. Any new River Edge Historic Preservation Credit claimed on a return filed for a taxable year ending on or after December 31, 2018, cannot be carried forward.

■ 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 DCEO.

To qualify for this credit, you must have

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

Contact DCEO for more information.

Line 50 – Enter the amount of credit from the tax credit certificate you received from DCEO, including any credit transferred to you by the person who earned the credit.

Line 51 – Follow the instructions on the form.

Line 52 – Add Lines 50 and 51. This is your total Live Theater Production Tax Credit.

Line 53 – Add Lines 37, 40, 43, 46, 49, and 52. Enter the total here and on Page 4, Line 54.

■ Hospital Credit

The FY2019 Budget Implementation Act has retroactively extended the Hospital Credit until tax years ending on or before December 31, 2022. For taxpayers with a tax year beginning on or after June 14, 2017, you may now claim this credit following the instructions below:

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-D 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 the 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.

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.

Lines 55 through 57 – Follow the instructions on the form.

Line 58 – Enter the amount of credit on Line 57 you have transferred or intend to transfer.

Note → If you report an amount on Line 58, attach a written notice of the transfer.

Line 59 – Follow the instructions on the form.

Line 60 – 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 60, 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 donor sent to the Illinois Department of Revenue.

Line 61 – Add Lines 59 and 60. This is your total Hospital Credit.

■ Other Credits which can be carried for five years

If an Illinois Income Tax credit which can be carried forward for five years is created or extended by the IITA after Schedule 1299-D has been published, and the Department is unable to provide a specific line for that credit to be reported on Schedule 1299-D, you may be able to use this line to report the credit.

Identify on this line Illinois Income Tax credits allowed by the Illinois Income Tax Act, which may be claimed on the 2017 Schedule 1299-D, and which may be carried forward five years, but for which no specific line has been provided on this 2017 Schedule 1299-D.

Attach any documentation as required by the IITA, the Illinois Income Tax Regulations, or these instructions.

Do not report on these lines Illinois Income Tax credits

- which may be carried forward for a period of other than 5 years,
- which have expired and may not be claimed on this 2017 Schedule 1299-D, or
- for which a specific line has been provided elsewhere on this 2017 Schedule 1299-D.

See the Other Credits Code Table below to determine which credits may be claimed on the 2017 Schedule 1299-D at this time.

Failure to follow these instructions may result in further correspondence from the Department, the disallowance of the credit, or a delay in the processing of your return. You also may be required to submit further information to support the credit claimed.

Line 62 –

Column A – Enter a valid three digit Other Credit code number from the Other Credits Code Table below which corresponds to the credit claimed.

If you do not provide a valid three digit Other Credit code or attempt to claim an Other Credit which does not exist, you may receive further correspondence from the Department, your Other Credit may be disallowed, and the processing of your return may be delayed.

Other Credits Code Table

Code 101 - Invest in Kids
Code 102 - Natural Disaster

Column B – Enter the name of and the information indicated below for each of the Other Credits that you are claiming. If a calculation was required for determining the amount of the Other Credit, include the calculation of the amount of credit you claimed.

• **Invest in Kids** - Enter the Certificate Number on your Certificate of Receipt (COR) received from the Scholarship Granting Organization (SGO).

• **Natural Disaster** - Enter the Certificate Number, starting with 17-, listed on the Natural Disaster Income Tax Credit Certificate received from the Township or County Assessor.

Column C – Enter the amount of the Other Credit which can be carried forward for five years.

Line 63 – Follow the instructions on the form.

Line 64 – Add Column C, Lines 62a through 62c and Line 63. Enter your total Other Credits which can be carried forward for five years here.

■ Total five-year credits

Line 65 – Add Lines 54, 61, and 64. Enter the result here and in Step 2, Line 22.

Step 2: Figure your credit

This step allows you to figure the amount of credit you may use this year, through the use of unused credit carryforwards available from previous years, and credits earned in the current year in Step 1. Credits are applied based on the earliest expiration.

Definitions “**Unused credit carryforward**” refers to any credit amount that you earned in a previous year, less any credit that you applied to unpaid tax in subsequent tax years, and less any credit that has expired.

For example, if you earned a Dependent Care Assistance Program Credit in 2014 in the amount of \$5,000, and you used \$2,000 on your 2014 tax return, you had \$3,000 left to carry forward for two years. On your 2015 tax return, you used \$1,500. You now have \$1,500 left to use on your 2016 tax return. **This is your unused credit carryforward.** On your 2016, Illinois Schedule 1299-D, Step 2, Line 4, you would enter \$1,500. If you are not able to use all \$1,500 on the 2016 return, you will forfeit the excess credit.

Line 1 – Enter the tax, after recapture of investment tax credit, from your Form

- IL-1120, Step 7, Line 47,
- IL-1041, Step 6, Line 44, or
- IL-990-T, Step 5, Line 21.

Lines 2 through 31 – Follow the instructions on the form.

Lines 32a through 32n – Follow the instructions on the form.

Line 33 – Add Lines 32a through 32n. This is the amount of credit you may use this year. Enter the amount here and on your Form

- IL-1120, Step 7, Line 48
- IL-1041, Step 6, Line 46, or
- IL-990-T, Step 5, Line 22.

Step 3: Figure your credit available to be carried forward

Lines 1 through 12 – Follow the instructions on the form.

Attach You must attach a copy of this Illinois Schedule 1299-D to your tax return. You should also keep a copy of this schedule in your files. You will use your completed Step 3 to complete next year's Illinois Schedule 1299-D.