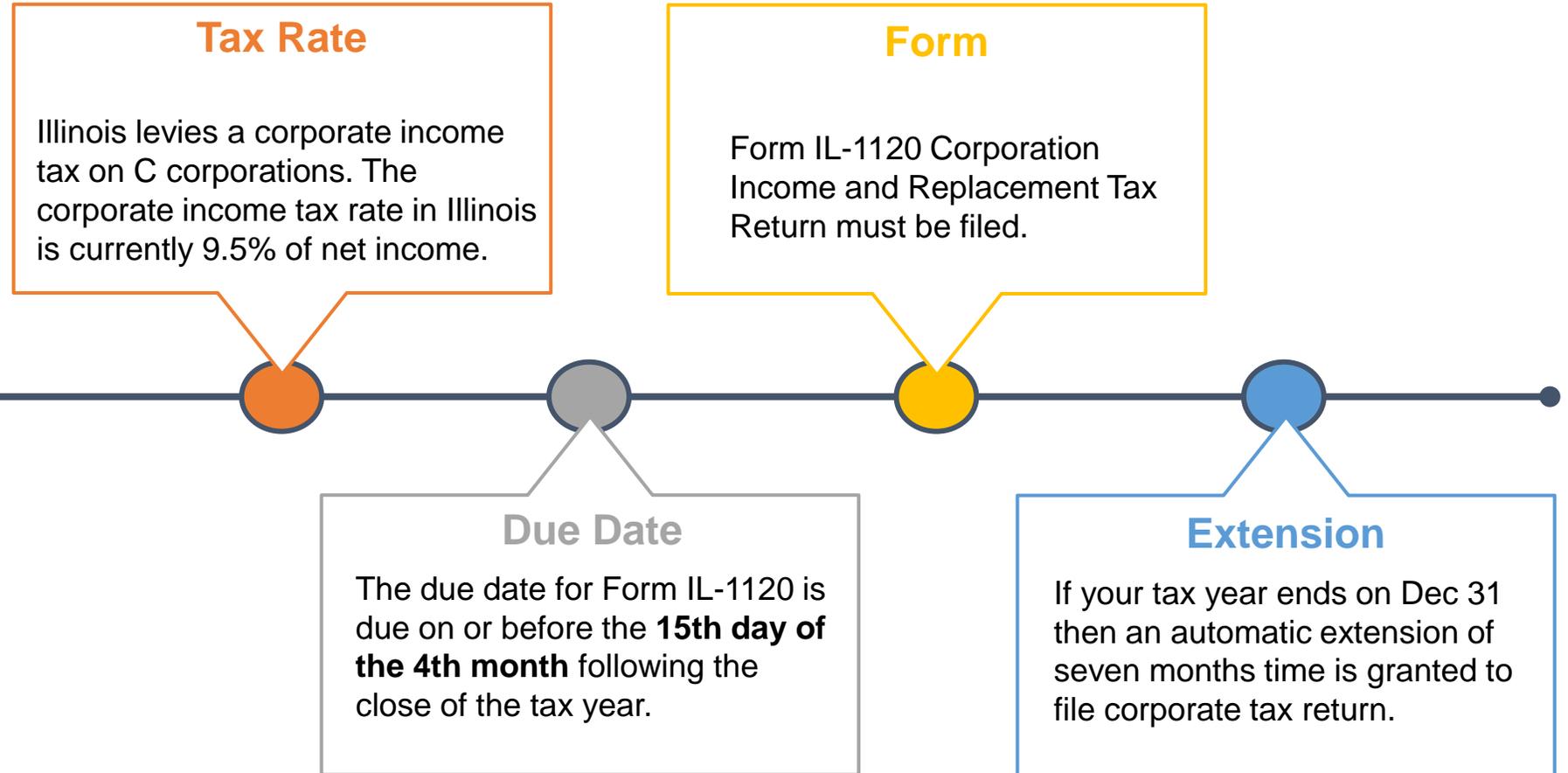




TAXATION IN ILLINOIS



C - Corporation Income Tax (1/2)



Franchise Tax : Illinois imposes an annual franchise tax on corporations. The Illinois franchise tax rate is 0.15% for the first year and 0.10% for subsequent years, with a minimum of \$25 and a maximum of \$2 million.

C - Corporation Income Tax (2/2)



Corporations (other than S corporations) who can reasonably expect their income and replacement tax liability to be **more than USD 400** must make quarterly estimated payments. Estimated Payments are due on the **15th day of the 4th, 6th, 9th, and 12th month** of the tax year. The Form IL-1120-V, Payment Voucher for Corporation Income and Replacement Tax, must be filed for calculation of estimated payments.

Late-filing Penalty – Tier 1 — The lower of USD 250 or 2% of the tax is required to be shown on the return and reduced by timely payments or credits. If the return is timely filed but cannot be processed, you will have 30 days to correct the return before penalty is due. Tier 2 — If you do not file a return within 30 days after receiving a notice of non-filing, an additional penalty will be imposed equal to 10% of the tax shown due on the return .

Late-payment penalty – Penalty is based on the number of days the tax required to be shown due on the return is late.

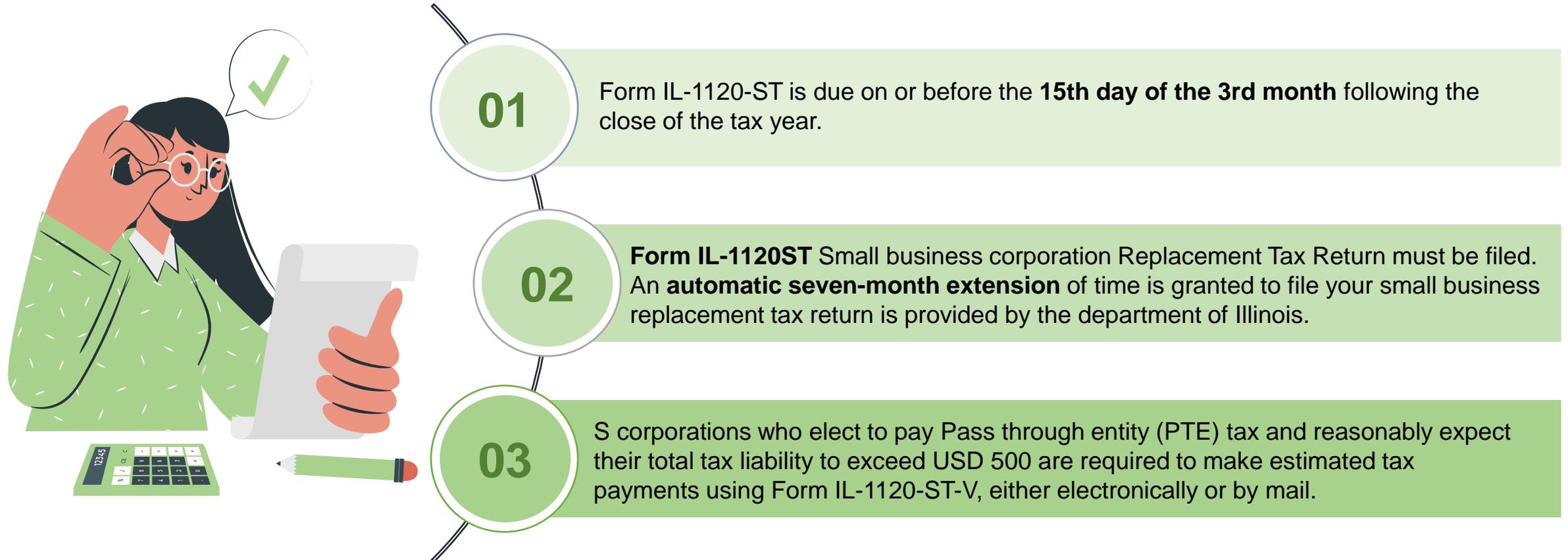
1 - 30 days: 2%

31 + days: 10%

Interest rate – The current interest rate charged on tax due is 7%.

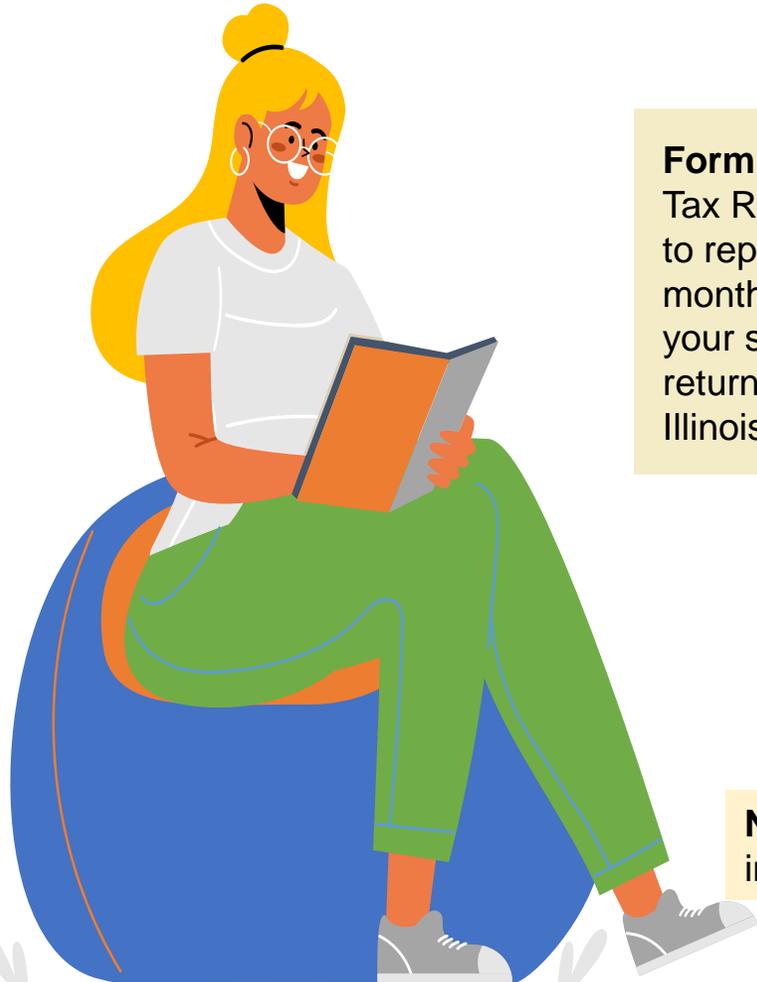
S - Corporation Income Tax

S corporations are subject to replacement tax, but do not pay Illinois income tax. The income tax is paid at the shareholder's level. Generally, income from an S corporation is passed on to the shareholders. The shareholders must include this income in their federal adjusted gross income (for individuals) or taxable income (for other taxpayers). The rate of tax is **4.95%**.



Note - The interest and penalty rules for S corporations is same as C corporation mentioned in [slide 3](#)

Partnership LLCs & LLPs Tax



Form IL-1065 Partnership Replacement Tax Return must be filed by partnerships to report their income. An automatic six-month extension of time is granted to file your small business replacement tax return is provided by the department of Illinois.

Form IL-1065 is due on or before the **15th day of the 4th month** following the close of the tax year.

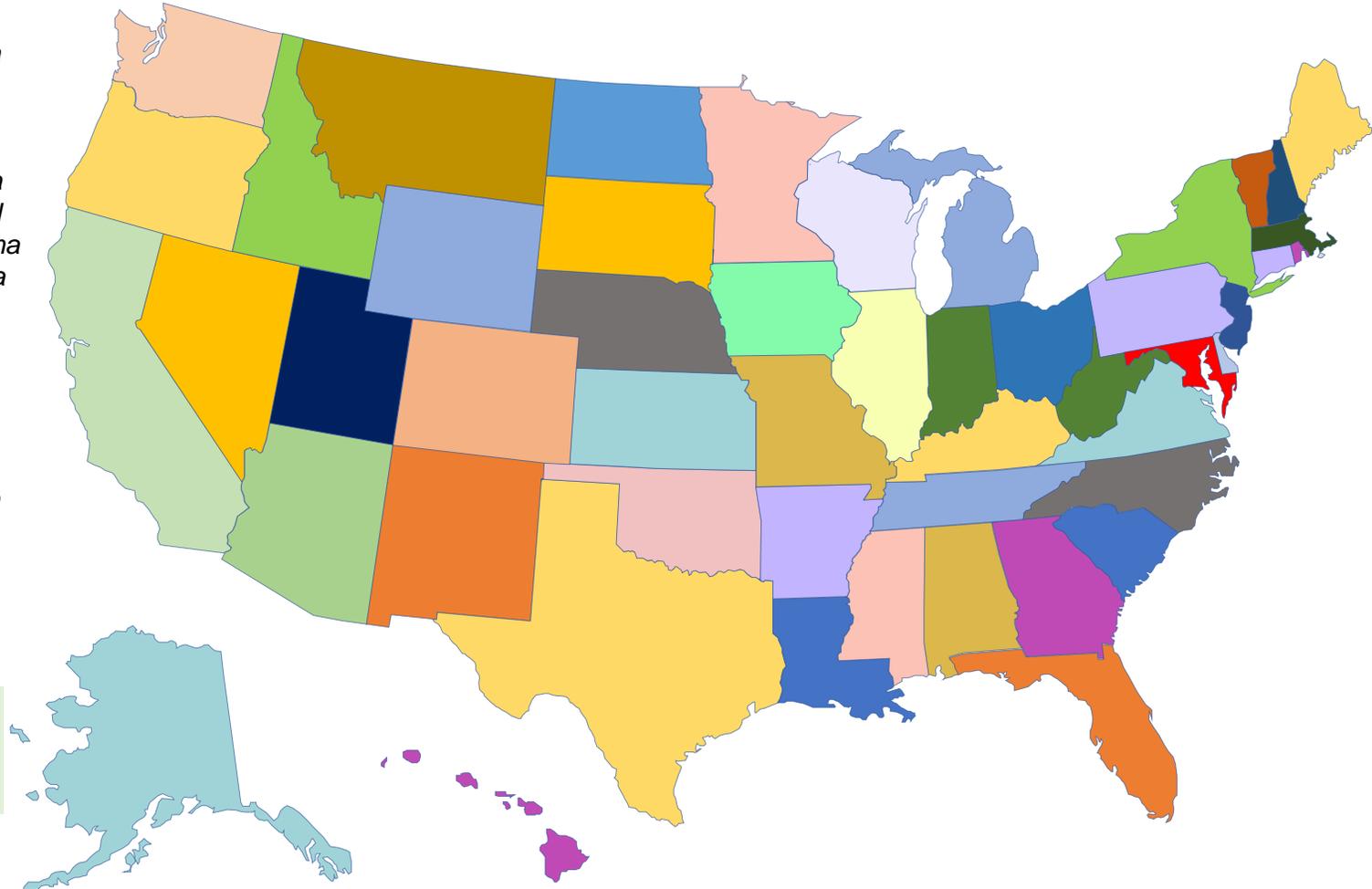
Partnerships who elect to pay PTE tax and reasonably expect their total tax liability to exceed \$500 are required to make estimated tax payments using Form IL-1065-V.

Note - The interest and penalty rules for Partnership LLC & LLP is same as C corporation mentioned in [slide 3](#)

Upcoming Series

Please find below the list of completed alerts from the series. In case you have missed the previous alerts, click on the hyperlink for the completed alerts to refer the same.

- | | | |
|--------------------------------|--------------------|--------------------|
| 1. Delaware | 18. Kansas | 35. North Dakota |
| 2. New Jersey | 19. Kentucky | 36. Ohio |
| 3. California | 20. Louisiana | 37. Oklahoma |
| 4. Alabama | 21. Maine | 38. Oregon |
| 5. Alaska | 22. Maryland | 39. Pennsylvania |
| 6. Arizona | 23. Massachusetts | 40. Rhode Island |
| 7. Arkansas | 24. Michigan | 41. South Carolina |
| 8. Colorado | 25. Minnesota | 42. South Dakota |
| 9. Connecticut | 26. Mississippi | 43. Tennessee |
| 10. Columbia | 27. Missouri | 44. Texas |
| 11. Florida | 28. Montana | 45. Utah |
| 12. Georgia | 29. Nebraska | 46. Vermont |
| 13. Hawaii | 30. Nevada | 47. Virginia |
| 14. Idaho | 31. New Hampshire | 48. Washington |
| 15. Illinois | 32. New Mexico | 49. West Virginia |
| 16. Indiana | 33. New York | 50. Wisconsin |
| 17. Iowa | 34. North Carolina | 51. Wyoming |



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