



2020 Schedule 1299-D Instructions

What's new for 2020?

- Form 1299-D has been redesigned. Only credits earned or received in the current year will be entered on the 2020 Schedule 1299-D.
- The Student-Assistance Contributions credit has been extended to December 30, 2021 per PA 101-604.

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 any of the credits listed on Schedule 1299-I, Income Tax Credits Information and Worksheets.

This schedule must be completed if you earned credits this year; even if you are not using the credits to offset current tax liability.

If you receive more than one of the same eligible credit code with the same expiration date, you should add all amounts for that credit code and enter the total on the corresponding line on Schedule 1299-D, Step 3, Column F.

If you are filing an Illinois **combined unitary** return, complete one Illinois Schedule 1299-D for the entire group. For each credit, you will need to complete at least one row on Schedule 1299-D, Step 3 for each unitary group member who received the credit.

For example, unitary group member A (FEIN 12-3456789) earned \$300 of Film Production Services Credit during the tax year ending 12/31/20. Member B (FEIN 98-7654321) earned \$400 of Film Production Services Credit during the year ending 12/31/20. Complete Schedule 1299-D, Step 2 as follows:

- enter "2025-12" in Column A, "5000" in Column B, "2020-12" in Column C, "12-3456789" in Column D, and "300" in Columns F and I
- enter "2025-12" in Column A, "5000" in Column B, "2020-12" in Column C, "98-7654321" in Column D, and "400" in Columns F and I

See Example 1 below.

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 a Schedule K-1-P, the tax year ending listed on the Schedule K-1-P you received must fall within your tax year.

Note: K-1-Ps are required as support for any credit being claimed that was distributed to the claiming entity by a partnership or S corporation. All income tax credits are distributable by partnerships and S corporations, **except:**

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

ATTACH: Certificates issued by the Department of Commerce and Economic Opportunity (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 the credit and the amount of credit allowed in this taxable year.

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

- Film Production Services
- Economic Development for a Growing Economy (EDGE)
- Angel Investment
- New Markets Development
- Live Theater Production
- Data Center Construction Employment
- Apprenticeship Education Expense
- Enterprise Zone Construction Jobs
- High Impact Business Construction Jobs
- New Construction EDGE
- River Edge Construction Jobs

See the [DCEO website](#) for a list of incentives (credits) and DCEO contact information.

ATTACH: Certificates issued by the Illinois Department of Natural Resources (DNR) if

- you entered into an agreement with DNR and
- DNR issued a tax certificate to you indicating the name of the credit and the amount of the credit allowed in this taxable year;

Note: Any income tax credit administered by DNR requires a copy of the certification to claim the credit. Those income tax credits **include:**

- River Edge Historic Preservation
- Historic Preservation

See the [DNR website](#) for a list of credits and contact information.

ATTACH: Any other documents required by the Illinois Department of Revenue and noted in these instructions or Schedule 1299-I.

Example 1

A Expiration Date YYYY-MM	B Credit Code	C Credit Earned YYYY-MM	D Unitary Member FEIN	E Certificate Number	F Credit Amount Earned	G Distributive Share Credit from K-1-P	H Transferred Credit Amount	I Total Credits (F + G + H)
2025-12	5000	2020-12	12-3456789		\$300	0	0	\$300
2025-12	5000	2020-12	98-7654321		\$400	0	0	\$400

- If you claim the **Affordable Housing Donations** credit, 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 Illinois Department of Revenue. See the Schedule 1299-I specific instructions for the Hospital credit for the required written notice information.

Failure to follow these instructions and attach required documentation will result in one or more of the following: a delay in the processing of your return, the disallowance of the credit, or the receipt of correspondence from the Department. You also may be required to submit further information to support your filing.

Should I round?

You must round the dollar amounts on Schedule 1299-D to whole-dollar amounts. To do this, you should drop any amount less than 50 cents and increase any amount of 50 cents or more to the next higher dollar.

What if I need additional assistance or forms?

- Visit our website, tax.illinois.gov, for assistance, forms or schedules.
- Write us at:
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19001
SPRINGFIELD IL 62794-9001
- Call **1 800 732-8866** or **217 782-3336** (TDD, telecommunications device for the deaf, at **1 800 544-5304**).
- Visit a taxpayer assistance office - 8:00 a.m. to 5:00 p.m. (Springfield office) and 8:30 a.m. to 5:00 p.m. (all other offices), Monday through Friday.

Specific Instructions

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.

STEP 1 - Worksheet

Complete this step only if you earned the Research and Development income tax credit during your current tax year.

Research and Development

Complete this step before entering any Research and Development credit earned in the current year in Step 3.

Complete the Research and Development Worksheet in Schedule 1299-I. Bring the corresponding amounts from Schedule 1299-I, Worksheet, Line 6, Columns A and B, to Schedule 1299-D, Step 1, Line 1, Columns A and B. Follow the instructions on Schedule 1299-D to calculate the amount to list in Step 3, Column F on the line that you enter Credit Code 5340 in Column B.

STEP 2 - Calculate your credit for the current year

****Complete Step 3 before completing this Step****

Line 4 -

Enter the total amount (sum) of credit available to be carried into this tax year from your 2019 Schedule 1299-D, Column J or other worksheet used to calculate your carry forward from 2019.

Lines 5 through 10 -

Follow the instructions on the form.

STEP 3 - Enter your current credits

****Complete this Step before completing Step 2****

You must list **all** new credits, distributive shares, or transferred credits that were earned or received this year. This schedule must be completed if you earned or received credits this year, even if you are not using the credits to offset current tax liability.

If you have more qualifying credits than space provided on Schedule 1299-D, attach additional Schedule(s) 1299-D and enter the total credit you may claim on your original Schedule 1299-D, Step 2, Line 5 and Step 3, Line 35, Column I. **Do not enter the total on your additional schedules.**

Additionally, if you received more than one Schedule K-1-P for any eligible credit, add the amounts from all Schedules K-1-P for that credit and enter the total in Step 3, Column G on the line with that credit code on your Schedule 1299-D.

Follow the instructions below to complete Schedule 1299-D, Step 3, Columns A through D and Columns F through I. To determine the correct amount to list in Schedule 1299-D, Step 3, Column F, use the Schedule 1299-I instructions and worksheets.

Lines 11 through 34 -

Column A - Expiration Date

Enter the four-digit year and two-digit month of the expiration of each credit. Separate the year and the month with a dash (YYYY-MM). For example, if you first earned and received a Department of Commerce and Economic Opportunity (DCEO) certificate for an Film Productions Services credit in August of 2020 and you are a calendar-year filer, you will enter "2025-12" as the expiration date in Column A for this credit.

Note: Only credits earned this year are to be entered on this schedule.

Column B - Credit Code

Each credit has a four-digit code used to identify it. The first digit of the code indicates how many years the credit can be carried forward. For example, all credits that can be carried forward two years start with "2". The remaining three digits are the unique indicator for that specific code. Ten year carry forwards will use two digits for the year and two digits as the unique indicator. Credit codes that start with "0" cannot be carried forward.

Credit Code Income Tax Credit Name

Active Credits

0160	Apprenticeship Education Expense
2000	TECH-PREP Youth Vocational Programs
2200	Dependent Care Assistance Program
5000	Film Production Services
5040	Employee Child Care (Corporate filers only)
5080	Enterprise Zone Investment
5120	Enterprise Zone Construction Jobs (effective for tax years beginning on or after January 1, 2021)

Credit Code	Income Tax Credit Name
5160	High Impact Business Construction Jobs (effective for tax years beginning on or after January 1, 2021)
5220	High Impact Business Investment
5260	Affordable Housing Donations
5300	Economic Development for a Growing Economy (EDGE)
5320	New Construction EDGE (effective for tax years beginning on or after January 1, 2021)
5340	Research and Development
5380	Wages Paid to Ex-Felons
5420	Student-Assistance Contributions
5460	Angel Investment
5500	New Markets Development
5540	River Edge Historic Preservation
5560	River Edge Construction Jobs (effective for tax years beginning on or after January 1, 2021)
5580	Live Theater Production
5620	Hospital
5660	Invest in Kids
5820	Data Center Construction Employment
1030	Historic Preservation

Expired Credits, can only be carried forward

5390	Veterans Jobs (Credit earned in tax years beginning before January 1, 2015, for qualified veterans, and for tax years ending on or before December 31, 2016, for qualified unemployed veterans)
5530	River Edge Redevelopment Zone Investment (Credit earned in tax years beginning before July 12, 2016)
5550	River Edge Redevelopment Zone Remediation (Credit earned in tax years beginning before July 12, 2016)
5700	Natural Disaster (Credit earned in tax years beginning on or after January 1, 2017 and beginning prior to January 1, 2019)
1000	Historic Preservation (Credit earned in tax years ending on or before December 31, 2015)

Column C - Credit Earned

Write the four-digit year and two-digit month of the Illinois tax year ending during which the credit was first earned. Separate the year and the month with a dash (YYYY-MM). For example, if you first earned and received a Department of Commerce and Economic Opportunity (DCEO) certificate for a Film Production Services credit in August of 2020 and you are a fiscal filer with a tax year beginning July 1, 2020 and ending June 30, 2021, you will enter "2021-06" for this credit.

Note:

- If you are a 52/53-week filer, use the calendar or fiscal year-end date closest to your tax year-end date. For example, if a 52/53-week filer has a year ending of 12/27/2020 or 1/2/2021, they would use 2020-12 for their tax year end date.

Example 2

A Expiration Date YYYY-MM	B Credit Code	C Credit Earned YYYY-MM	D Unitary Member FEIN	E Certificate Number	F Credit Amount Earned	G Distributive Share Credit from K-1-P	H Transferred Credit Amount	I Total Credits (F + G + H)
2025-12	5000	2020-12	99-1188227		0	\$550	0	\$550
2025-12	5460	2020-12	12-3456789		0	\$500	0	\$500
2025-12	5460	2020-12	98-7654321		0	\$300	0	\$300

- If you are filing a short year return, use the last month that your tax year-end falls in to determine your Tax Year Credit Earned. For example, a short year return filed for the period of 1/1/2021 - 2/15/2021 would use a tax year end date of 2021-02.

Column D - Unitary Member FEIN

Enter the FEIN of the unitary member that earned the credit. If you are non-unitary filer, this column should be left blank.

Column E - Certificate Number

If you **earn** the Invest in Kids credit, enter the certificate number from the Certificate of Receipt (COR) you received from the Scholarship Granting Organization (SGO).

If you receive a **distributive share** of the Invest in Kids credit, do not enter anything in Column E.

For all other credits leave this column blank.

Column F - Credit Amount Earned

Use the instructions and worksheets in Schedule 1299-I to determine the correct amount of credit to report in this column.

Keep a copy of Schedules 1299-I and 1299-D in your records. You may be asked to provide a copy of Schedule 1299-I as additional verification and you will use these schedules to complete your credit carryforward information on Schedule 1299-D next year.

Column G - Distributive Share Credit from K-1-P

Enter the sum of your distributive share of credits that were received from an S corporation or partnership on Schedule K-1-P.

In order to claim the amount reported to you on a Schedule K-1-P, the tax year ending listed on a Schedule K-1-P you received must fall within your tax year. If you report an amount in this column, include a copy of the Schedule(s) K-1-P you received.

For non-unitary filers, if you receive more than one Schedule K-1-P with a distributive share of the same eligible credit, you should add the amounts from all Schedules K-1-P for that credit and enter the total on the corresponding line on Schedule 1299-D, Step 3, Column G.

If you are a unitary group and you are claiming distributive shares received by multiple unitary group members, complete a separate row on Schedule 1299-D, Step 3 for each credit type and each unitary group member that received the distributive shares. On each row, list the FEIN of the member that received the distributive share in Column D.

For example, unitary group member A (FEIN 12-3456789) received \$500 in distributive shares for the Angel Investment Credit during the tax year ending 12/31/20. Member B (FEIN 98-7654321) received \$300 in distributive shares for the Angel Investment Credit during the tax year ending 12/31/20. Member C (FEIN 99-1188227) received \$300 in distributive shares for the Film Production Services Credit on one Schedule K-1-P and \$250 in distributive shares for the Film Production Services Credit on another Schedule K-1-P, during the tax year ending 12/31/20. Complete Schedule 1299-D, Step 3 as follows:

- enter "2025-12" in Column A, "5000" in Column B, "2020-12" in Column C, "99-1188227" in Column D, and "550" in

Columns G and I

- enter "2025-12" in Column A, "5460" in Column B, "2020-12" in Column C, "12-3456789" in Column D, and "500" in Columns G and I
- enter "2025-12" in Column A, "5460" in Column B, "2020-12" in Column C, "98-7654321" in Column D, and "300" in Columns G and I

See Example 2 on Page 3.

Note: In this example, you will need to attach **both** Schedules K-1-P from Member C, as well as the Schedules K-1-P from Members A and B.

Amounts in this column should only contain Distributive Shares of Credit reported on Schedule K-1-P received in the current tax year.

Note: List **your** tax year ending as YYYY-MM in Column C. **Do not** list the tax year ending from Schedules K-1-P.

Column H - Transferred Credit Amount

Enter the amount of any credit transferred to you.

If you report an amount in this column, include:

- a copy of the written notice of the transfer that the seller or donor received from the Department of Commerce and Economic Opportunity or Department of Natural Resources, or
- a copy of the written notice of the transfer that the seller or donor sent to the Illinois Department of Revenue.

If you are a non-unitary filer and you receive more than one transfer of the same eligible credit code with the same expiration date, you should add the amounts from all transfers for that credit code and enter the total on the corresponding line on Schedule 1299-D, Step 3, Column H.

If you are a unitary group and you are claiming credit transfers received by multiple unitary group members, complete a separate row on Schedule 1299-D, Step 3 for each credit type and each unitary group member that received the transfer. On each row, list that member's FEIN in Column D, and enter the total sum of all transfers that member received for the specific credit identified in Column G.

For example, unitary group member A (FEIN 12-3456789) received a transfer of \$8,000 of the Affordable Housing credit with an expiration date of 12/31/2021 during the tax year ending 12/31/20. Member B (FEIN 98-7654321) received a transfer of \$3,500 of the Film Production Services Credit with an expiration date of 12/31/2025 and a transfer of \$11,000 of the Hospital credit with an expiration date of 12/31/2025 during the tax year ending 12/31/20. Member C (FEIN 99-1188227) received two transfers with the same expiration date (12/31/2025) from different entities of the Hospital credit, one for \$30,000 and one for \$15,000 during the tax year ending 12/31/20. Complete Schedule 1299-D, Step 3 as follows:

- enter "2021-12" in Column A, "5260" in Column B, "2020-12" in Column C, "12-3456789" in Column D, and "\$8,000" in Columns H and I
- enter "2025-12" in Column A, "5000" in Column B, "2020-12" in Column C, "98-7654321" in Column D, and "\$3,500" in

Columns H and I

- enter "2025-12" in Column A, "5620" in Column B, "2020-12" in Column C, "98-7654321" in Column D, and "\$11,000" in Columns H and I
- enter "2025-12" in Column A, "5620" in Column B, "2020-12" in Column C, "99-1188227" in Column D, and "\$45,000" in Columns H and I

See Example 3 on Page 4.

Column I - Total Credit

Total the amounts in Columns F, G, and H for each row and enter the result here.

Line 35 -

Total Column I and enter the amount here and in Step 2, Line 5.

Keep a copy of Schedule 1299-D for your records and for use next year.

Credit Carryforward Calculation

Use the Credit Carryforward to Next Year Calculation Worksheet and Instructions on Pages 5 and 6 to calculate your credit carryforward to next year. If you already have a method of tracking your credit carryforward, you do not need to complete these pages.

Note: Do not send these pages with your return.

Example 3

A Expiration Date YYYY-MM	B Credit Code	C Credit Earned YYYY-MM	D Unitary Member FEIN	E Certificate Number	F Credit Amount Earned	G Distributive Share Credit from K-1-P	H Transferred Credit Amount	I Total Credits (F + G + H)
2021-12	5260	2020-12	12-3456789		0	0	\$8,000	\$8,000
2025-12	5000	2020-12	98-7654321		0	0	\$3,500	\$3,500
2025-12	5620	2020-12	98-7654321		0	0	\$11,000	\$11,000
2025-12	5620	2020-12	99-1188227		0	0	\$45,000	\$45,000

Credit Carryforward to Next Year Calculation Worksheet Instructions

If you do **not** have a tracking system for your credits, use your 2019 Schedule 1299-D and 2020 Schedule 1299-D, Step 3 to complete the Credit Carryforward to Next Year Calculation Worksheet.

Column A - Expiration Date

1. Figure the expiration date - Enter the four-digit year and two-digit month of the expiration of each credit. For each credit carried forward from a prior year, add the first number in the credit code to the original credit year earned from your prior year Schedule 1299-D, Step 2, Column C. For credit codes starting with '0', there is no credit carry forward available. For credit codes starting with '2', add 2 to the year on your prior year Schedule 1299-D, Step 2, Column C. For credit codes starting with '5', add 5 to the year on your prior year Schedule 1299-D, Step 2, Column C. For credit codes starting with '10', add 10 to the year on your prior year Schedule 1299-D, Step 2, Column C. For current year credits, use the information from your current year Schedule 1299-D, Step 3, Column A of your 2020 Schedule 1299-D. Applying the credits in this manner ensures that the credits are used in the correct order. Credits are applied based on the earliest expiration.

2. Enter credits in the following order - Enter credits with the earliest expiration date first. Then list the next earliest date and progress chronologically until all available credit has been listed. If you have multiple credits with the same expiration date, list them in ascending order by credit code within the zero-year, then two-year, then five-year and finally ten-year credits.

Column B - Credit Code

Enter the Credit Code listed on your Schedule 1299-D for each credit listed on the worksheet.

Column C - Credit Available for use this year.

Using the amounts from your 2019 Schedule 1299-D, Column J, and the amounts from 2020 Schedule 1299-D, Step 3, Column I, list the total credit available for use this year that corresponds to the expiration date in Column A and Credit Code in Column B.

Column D - Tax Calculation

In this step you are subtracting the income tax credit from the income tax due as follows:

- Subtract the amount on Line 1, Column C from the amount on Line (a) at the top of the worksheet and enter the total on Line 1, Column D.
- Subtract the amount on Line 2, Column C from the amount on Line 1, Column D and enter the total on Line 2, Column D.
- Continue subtracting Column C of each line from Column D of the previous line and entering the amount in Column D until you have subtracted all available credits listed on this schedule (or additional schedules) **or** when the Column D amount becomes zero or a negative number.

STOP calculating when Column D becomes zero or negative. Enter N/A in Column D below the line when Column D becomes zero or negative.

Column E - Credit Applied

- If the amount in Column D is zero or positive, transfer Column C to Column E.
- If the amount in Column D is negative, add the negative amount in Column D to Column C and enter the total in Column E.
- If Column D is N/A, write "0" in Column E.

Column F - Credit Carryforward

Figure your credit available to carryforward to next year.

- If any of the credits listed on your Schedule 1299-D have an expiration date on or prior to the close of your tax year, enter "0" in Column F. This is the final year that this credit may be used or carried regardless of any unused amount.
- For the rest of the lines, subtract Column E from Column C and enter the result in Column F.

Line 43

Total Column F. **This is your Schedule 1299-D Credit Carryforward available for 2021. Do not send this worksheet with your return.**

Keep a copy of Schedule 1299-D and this worksheet for your records and for use next year.

Credit Carryforward to Next Year Calculation Worksheet

(a) Enter the income tax listed on your 2020 Form IL-1120, Step 7, Line 47; Form IL-1041, Step 6, Line 44; or Form IL-990-T, Step 5, Line 23 here.

	A Expiration YYYY-MM	B Credit Code	C Credit Available for Use This Year	D Tax Calculation	E Credit Applied This Year	F Credit Carryforward to Next Year
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Do not attach this form to your return.
This is for your records only.



2020 Schedule 1299-I

Income Tax Credits Information and Worksheets

What's New

The River Edge Redevelopment Zone Investment (Code 5530) and River Edge Redevelopment Zone Remediation (Code 5550) Credits cannot be carried forward on Schedules 1299-A, 1299-C, or 1299-D on or after July 12, 2021.

The Veterans Job Credit (Code 5390) cannot be carried forward on Schedules 1299-A, 1299-C, and 1299-D after December 31, 2021.

General Information

If you are entitled to the following income tax credits, use the instructions and worksheets in this schedule to determine the amount of credit to list in Column E, Credit Earned or Carried, of Schedules 1299-C, Income Tax Subtractions and Credits (for individuals) and 1299-A, Tax Subtractions and Credits (for partnerships and S corporations) and Column F, Credit Amount Earned, of Schedule 1299-D, Income Tax Credits (for corporations and fiduciaries):

- TECH-PREP Youth Vocational Programs
- Dependent Care Assistance Program
- Film Production Services
- Employee Child Care (Corporate filers only)
- Enterprise Zone Investment
- Enterprise Zone Construction Jobs (effective for tax years beginning on or after January 1, 2021)
- High Impact Business Construction Jobs (effective for tax years beginning on or after January 1, 2021)
- High Impact Business Investment
- Affordable Housing Donations
- Economic Development for a Growing Economy (EDGE)
- New Construction EDGE (effective for tax years beginning on or after January 1, 2021)
- Research and Development
- Wages Paid to Ex-Felons
- Student-Assistance Contributions
- Angel Investment
- New Markets Development
- River Edge Historic Preservation
- River Edge Construction Jobs (effective for tax years beginning on or after January 1, 2021)
- Live Theater Production
- Hospital
- Invest in Kids
- Instructional Materials and Supplies (Form IL-1040 filers only)
- Adoption (Form IL-1040 filers only)
- Data Center Construction Employment
- Historic Preservation
- Apprenticeship Education Expense

If you are filing an Illinois combined unitary return, complete one Illinois Schedule 1299-D or 1299-A for the entire unitary business group by listing the credit by unitary member. See the specific Schedule 1299 instructions for more information.

Note: See the [Department of Commerce and Economic Opportunity \(DCEO\) website](#) for a list of incentives (credits) and DCEO contact information. See the [Department of Natural Resources \(DNR\) website](#) for a list of credits and DNR contact information.

For several credits, you may have more qualifying items than space provided. For any of these credits in which you exceed the allotted space to calculate the credit, use a separate sheet in the same format and include the individual amounts from multiple sheets and the total from the worksheet in these instructions on the line for each credit on Schedules 1299-C, 1299-D, or 1299-A. **Do not enter the total on your additional sheets.**

For example, if you have more than three qualifying properties for the Enterprise Zone Investment Credit, use an additional sheet in the same format provided on the Enterprise Zone Investment Credit Worksheet. Add the totals from the worksheet and the additional sheets and enter the total on Schedules 1299-C or 1299-A, Column E, or Schedule 1299-D, Column F, for your Enterprise Zone Investment Credit.

Additionally, if you receive more than one Schedule K-1-P for any eligible credit, add the amounts from all Schedules K-1-P for that credit and enter the total in Column F, Distributive Share or Transfer, on the corresponding line of Schedule 1299-C or 1299-A, or Column G, Distributive Share Credit from K-1-P/T, on the corresponding line of Schedule 1299-D that you enter that credit code. If you file an Illinois combined unitary return, see specific unitary instructions and examples on the Schedule 1299-D and 1299-A Instructions.

Keep a copy of your worksheets or calculations and Schedule 1299-I in your records. You may be required to submit further information to support your filing.

Follow the specific schedule instructions for how to enter your credits on your Schedule 1299-C, 1299-D or 1299-A.

Should I round?

You must round the dollar amounts on Schedule 1299-I to whole-dollar amounts. To do this, you should drop any amount less than 50 cents and increase any amount of 50 cents or more to the next higher dollar.

What if I need additional assistance or forms?

- Visit our website at tax.illinois.gov for assistance, forms or schedules.
- Write us at:
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19001
SPRINGFIELD IL 62794-9001
- Call **1 800 732 8866** or **217 782-3336** (TDD, telecommunications device for the deaf, at 1 800 544-5304).
- Visit a taxpayer assistance office - 8:00 a.m. to 5:00 p.m. (Springfield office) and 8:30 a.m. to 5:00 p.m. (all other offices), Monday through Friday.

Specific Instructions

These instructions and worksheets are to be used to determine the amount of credit to list on your Schedule

- **1299-A, Column E** for credits earned in the current year.
- **1299-C, Column E** for credits earned in the current year and credits carried forward from past years. Use a separate line on Schedule 1299-C for each tax year in which a credit was earned or is being carried.
- **1299-D, Column F** for credits earned in the current year.

See the instructions for the specific Schedule 1299 you are filing for additional information.

Each credit has a four-digit code used to identify it on Schedule 1299-C, 1299-D, or 1299-A. The first digit of the code indicates how many years the credit can be carried forward. For example, all credits that can be carried forward two years start with "2". The remaining three digits are the unique indicator for that specific code. Ten year carry forwards will use two digits for the year and two digits as the unique indicator. Credit codes that start with "0" cannot be carried forward.

If you earn more than one of the same eligible credit code with the same expiration date, you should add the amounts from all of that credit code when calculating the credit earned in the current year.

Credit Code Income Tax Credit Name

Active Credits

0160	Apprenticeship Education Expense
2000	TECH-PREP Youth Vocational Programs
2200	Dependent Care Assistance Program
5000	Film Production Services
5040	Employee Child Care (Corporate filers only)
5080	Enterprise Zone Investment
5120	Enterprise Zone Construction Jobs (effective for tax years beginning on or after January 1, 2021)
5160	High Impact Business Construction Jobs (effective for tax years beginning on or after January 1, 2021)
5220	High Impact Business Investment
5260	Affordable Housing Donations
5300	Economic Development for a Growing Economy (EDGE)
5320	New Construction EDGE (effective for tax years beginning on or after January 1, 2021)
5340	Research and Development
5380	Wages Paid to Ex-Felons
5420	Student-Assistance Contributions
5460	Angel Investment
5500	New Markets Development
5540	River Edge Historic Preservation
5560	River Edge Construction Jobs (effective for tax years beginning on or after January 1, 2021)
5580	Live Theater Production
5620	Hospital
5660	Invest in Kids
5740	Instructional Materials and Supplies (Form IL-1040 filers only)
5780	Adoption (Form IL-1040 filers only)
5820	Data Center Construction Employment
1030	Historic Preservation

Expired Credits, but can still be carried forward or distributed

5390	Veterans Jobs (Credit earned in tax years beginning before January 1, 2015, for qualified veterans, and for tax years ending on or before December 31, 2016, for qualified unemployed veterans). Credit may not be used after December 31, 2021.
5530	River Edge Redevelopment Zone Investment (Credit earned in tax years beginning before July 12, 2016). Credit may not be used on or after July 12, 2021.
5550	River Edge Redevelopment Zone Remediation (Credit earned in tax years beginning before July 12, 2016). Credit may not be used on or after July 12, 2021.
5700	Natural Disaster (Credit earned in tax years beginning on or after January 1, 2017 and beginning prior to January 1, 2019)
1000	Historic Preservation (Credit earned in tax years ending on or before December 31, 2015)

Tax Credits that can be used in the current year

■ Apprenticeship Education Expense (Credit Code 0160)

35 ILCS 5/229

For taxable years **beginning on or after January 1, 2020, and beginning on or before January 1, 2025**, the employer of one or more qualifying apprentices shall be allowed a credit against income tax for qualified education expenses incurred on behalf of a qualifying apprentice. This credit cannot be carried forward or transferred.

Contact DCEO for more information.

Enter the total amount of credit from all Apprenticeship Education Expense tax credit certificates you received from DCEO in Column E of your Schedule 1299-C or 1299-A, Step 3, or Column F of Schedule 1299-D, Step 3 on the line that you enter "0" in Column A (Schedule 1299-C only) and Credit Code 0160 in Column B.

Attach a copy of the DCEO certificate(s) to your Schedule 1299-C, 1299-D, or 1299-A.

Tax Credits that can be carried for two years

■ TECH-PREP Youth Vocational Programs (Credit Code 2000)

35 ILCS 5/209

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

You may take this credit, for tax years ending on or after June 30, 1995, 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.

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 below.

Multiply this amount by 20 percent (.20).

_____ x .20 = _____

Enter the result in Column E of your Schedule 1299-C, Step 3, or Column F of your Schedule 1299-D, Step 3 on the line that you enter "2" in Column A (Schedule 1299-C only) and Credit Code 2000 in Column B.

■ Dependent Care Assistance Program (Credit Code 2200)

35 ILCS 5/210

You qualify for this credit, for tax years ending on or after June 30, 1995, if

- you are primarily engaged in manufacturing, and
- you have an on-site facility dependent care assistance program that is in Illinois and on the premises of your workplace.

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

Multiply this amount by 5 percent (.05).

_____ x .05 = _____

Enter the result in Column E of your Schedule 1299-C, Step 3, or Column F of your Schedule 1299-D, Step 3 on the line that you enter "2" in Column A (Schedule 1299-C only) and Credit Code 2200 in Column B.

Note: This credit cannot be claimed if the five percent (.05) Employee Child Care Credit is claimed.

Tax Credits that can be carried for five years

■ Film Production Services (Credit Code 5000)

35 ILCS 5/213

A taxpayer shall not be entitled to this credit for tax years beginning on or after January 1, 2027.

To qualify for this credit you must have

- applied for and received a Tax Credit Certificate (indicating the amount of credit) from DCEO, or
- received a certificate from DCEO showing that a credit was transferred to you.

Contact DCEO for more information.

Enter the total amount of credit from all Film Production Services tax credit certificates you received from DCEO in Column E of your Schedule 1299-C or 1299-A, Step 3, or Column F of your Schedule 1299-D, Step 3 on the line that you enter "5" in Column A (Schedule 1299-C only) and Credit Code 5000 in Column B.

Attach a copy of every DCEO certificate received to your Schedule 1299-C, 1299-D, or 1299-A.

■ Employee Child Care (Corporate filers only) (Credit Code 5040)

35 ILCS 5/210.5

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

You may take this credit if

- you file Form IL-1120, or Form IL-990-T taxed as a corporation, 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 is allowed.

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.

_____ x .30 = _____

Part Two – For tax years ending **on or after December 31, 2000**, a credit of five percent (.05) of the annual amount paid by you to provide the child care facility for your employees’ children is allowed.

Enter the annual amount paid to provide the child care facility. Multiply this amount by five percent (.05), and enter the result.

_____ x .05 = _____

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

Add the totals of Part One and Part Two and enter the result in Column F of your Schedule 1299-D, Step 3 on the line that you enter Credit Code 5040 in Column B.

■ Enterprise Zone Investment (Credit Code 5080)

35 ILCS 5/201(f)

“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 Credit 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 on or after the date 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.

For taxable years ending on or after July 1, 2006, 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.

Using the worksheet on the next page and these instructions, figure your Enterprise Zone Investment credit to enter on your Schedule 1299.

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.)

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. If you are filing Schedule 1299-D or 1299-A and 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, maintain a statement in your records to provide upon request.

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

Note: *Qualified enterprise zones are listed on the [DCEO website](#).*

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.

Line 4 – Follow the instructions on the worksheet.

Enterprise Zone Investment Worksheet							
A	B	C	D	E	F	G	H
Description of qualified property	Date placed in service in Illinois Month Year	ACRS class	New/Used (see instr.)	Name of zone	Basis	Rate	Column F x Column G
1 _____	___/___	_____	_____	_____	_____	.005	1 _____
2 _____	___/___	_____	_____	_____	_____	.005	2 _____
3 _____	___/___	_____	_____	_____	_____	.005	3 _____
4 Total Column H, Lines 1 through 3. Enter the result in Column E of your Schedule 1299-C or 1299-A, Step 3, or Column F of your Schedule 1299-D, Step 3 on the line that you enter "5" in Column A (Schedule 1299-C only) and Credit Code 5080 in Column B.							4 _____

Enterprise Zone Construction Jobs (Credit Code 5120)

35 ILCS 5/201(f)

"Enterprise Zone construction jobs credit employee" means a laborer or worker who is employed by an Illinois contractor or subcontractor in the actual construction work on the site of an Enterprise Zone construction jobs credit project.

"Enterprise Zone construction jobs credit project" means building a structure or building or making improvements of any kind to real property commissioned and paid for by a business that has applied and been approved for an Enterprise Zone construction jobs credit.

"Enterprise Zone construction jobs credit project" does not include the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property.

"Incremental income tax" means the total amount withheld during the taxable year from the compensation of Enterprise Zone construction jobs credit employees.

"Underserved area" means a geographic area that meets one or more of the following conditions:

- (1) the area has a poverty rate of at least 20% according to the latest federal decennial census;
- (2) 75% or more of the children in the area participate in the federal free lunch program according to reported statistics from the State Board of Education;
- (3) at least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance Program (SNAP); or
- (4) the area has an average unemployment rate, as determined by the Illinois Department of Employment Security, that is more than 120% of the national unemployment average, as determined by the U.S. Department of Labor, for a period of at least 2 consecutive calendar years preceding the date of the application.

For taxable years **beginning on or after January 1, 2021**, a taxpayer who has been awarded a credit certificate by DCEO is entitled to a credit. The amount of the credit shall be 50% (75% if the project is located in an underserved area) of the amount of the incremental income tax attributable to Enterprise Zone construction jobs credit employees employed in the course of completing an Enterprise Zone construction jobs project. To qualify for the credit, you must have applied for and received a tax credit certificate from DCEO.

Contact DCEO for more information.

Enter the amount of Enterprise Zone Construction Jobs credit awarded to you by DCEO during your current tax year in Column E of your Schedule 1299-C or 1299-A, Step 3, or Column F of your Schedule 1299-D, Step 3 on the line that you enter "5" in Column A (Schedule 1299-C only) and Credit Code 5120 in Column B.

Attach a copy of every DCEO certificate received to your Schedule 1299-C, 1299-D, or 1299-A.

High Impact Business Construction Jobs (Credit Code 5160)

35 ILCS 5/201(h-5)

"High Impact Business construction job employee" means a laborer or worker who is employed by an Illinois contractor or subcontractor in the actual construction work on the site of a High Impact Business construction job project.

"High Impact Business construction jobs project" means building a structure or building or making improvements of any kind to real property, undertaken and commissioned by a business that was designated as a High Impact Business. The term "High Impact Business construction jobs project" does not include the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property.

"Incremental income tax" means the total amount withheld during the taxable year from the compensation of High Impact Business construction job employees.

"Underserved area" means a geographic area that meets one or more of the following conditions:

- (1) the area has a poverty rate of at least 20% according to the latest federal decennial census;
- (2) 75% or more of the children in the area participate in the federal free lunch program according to reported statistics from the State Board of Education;
- (3) at least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance Program (SNAP); or
- (4) the area has an average unemployment rate, as determined by the Illinois Department of Employment Security, that is more than 120% of the national unemployment average, as determined by the U.S. Department of Labor, for a period of at least 2 consecutive calendar years preceding the date of the application.

For taxable years **beginning on or after January 1, 2021**, a taxpayer who has been awarded a credit certificate by DCEO is entitled to a credit. The amount of the credit shall be 50% (75% if the project is located in an underserved area) of the amount of the incremental income tax attributable to High Impact Business construction jobs credit employees employed in the course of completing a High Impact Business construction jobs project. To qualify for the credit, you must have applied for and received a tax credit certificate from DCEO.

Contact DCEO for more information.

Enter the amount of High Impact Business Construction Jobs credit awarded to you by DCEO during your current tax year in Column E of your Schedule 1299-C or 1299-A, Step 3, or Column F of your Schedule 1299-D, Step 3 on the line that you enter "5" in Column A (Schedule 1299-C only) and Credit Code 5160 in Column B.

Attach a copy of every DCEO certificate received to your Schedule 1299-C, 1299-D, or 1299-A.

■ High Impact Business Investment (Credit Code 5220)

35 ILCS 5/201(h)

"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 High Impact Business Investment Credit 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 on or after the date 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.

For tax years ending on or after December 31, 1987, 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 on or before the last day of your current 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 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 in which 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.

Using the worksheet on the next page and these instructions, figure your High Impact Business Investment credit to enter on your Schedule 1299.

Lines 1 through 3 – For each qualified property that you are claiming a credit:

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.)

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, maintain a statement in your records to provide upon request.

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

Line 4 – Follow the instructions on the worksheet.

High Impact Business Investment Worksheet

A Description of qualified property	B Date placed in service in Illinois Month Year	C ACRS class	D New/Used (see instructions)	E Basis	F Column E x .5% (.005)
1 _____	____ / ____	_____	_____	_____	1 _____
2 _____	____ / ____	_____	_____	_____	2 _____
3 _____	____ / ____	_____	_____	_____	3 _____
4 Total Column F, Lines 1 through 3. Enter the result in Column E of your Schedule 1299-C or 1299-A, Step 3, or Column F of your Schedule 1299-D, Step 3 on the line that you enter "5" in Column A (Schedule 1299-C only) and Credit Code 5220 in Column B.					4 _____

Affordable Housing Donations (Credit Code 5260)

35 ILCS 5/214

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 through tax year ending on or before December 31, 2021.

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

Enter the total amount of your donation to eligible sponsors or the credit that was transferred to you on the line provided. Multiply this amount by 50 percent (.50).

_____ x .50 = _____

Enter the result in Column E of your Schedule 1299-C or 1299-A, Step 3, or Column F of your Schedule 1299-D, Step 3 on the line that you enter "5" in Column A (Schedule 1299-C only) and Credit Code 5260 in Column B.

Attach a copy of the proof of credit issued by the Illinois Housing Development Authority or the city of Chicago to your Schedule 1299. If credit is transferred to you, attach verification of the credit transfer.

Economic Development for a Growing Economy (EDGE) (Credit Code 5300)

35 ILCS 5/211

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, between January 1, 1999, and July 30, 2022, 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.

Enter the amount of EDGE credit awarded to you by DCEO during your current tax year in Column E of your Schedule 1299-C or 1299-A, Step 3, or Column F of your Schedule 1299-D, Step 3 on the line that you enter "5" in Column A (Schedule 1299-C only) and Credit Code 5300 in Column B.

Attach a copy of every DCEO certificate received to your Schedule 1299-C, 1299-D, or 1299-A.

New Construction EDGE (Credit Code 5320)

35 ILCS 10/5-51 new

"New Construction EDGE Employee" means a laborer or worker who is employed by an Illinois contractor or subcontractor in the actual construction work on the site of a New Construction EDGE Project, pursuant to a New Construction EDGE Agreement.

"New Construction EDGE Incremental Income Tax" means the total amount withheld during the taxable year from the compensation of New Construction EDGE Employees.

"New Construction EDGE Project" means the building of a Taxpayer's structure or building, or making improvements of any kind to real property. "New Construction EDGE Project" does not include the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property.

“Underserved area” means a geographic area that meets one or more of the following conditions:

- (1) the area has a poverty rate of at least 20% according to the latest federal decennial census;
- (2) 75% or more of the children in the area participate in the federal free lunch program according to reported statistics from the State Board of Education;
- (3) at least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance Program (SNAP); or
- (4) the area has an average unemployment rate, as determined by the Illinois Department of Employment Security, that is more than 120% of the national unemployment average, as determined by the U.S. Department of Labor, for a period of at least 2 consecutive calendar years preceding the date of the application.

For taxable years **beginning on or after January 1, 2021**, a taxpayer who has been awarded a credit certificate by DCEO is entitled to a credit. The amount of the credit shall be 50% (75% if the project is located in an underserved area) of the amount of the incremental income tax attributable to New Construction EDGE credit employees employed in the course of completing a New Construction EDGE project. To qualify for the credit, you must have applied for and received a tax credit certificate from DCEO.

Contact DCEO for more information.

Enter the amount of New Construction EDGE credit awarded to you by DCEO during your current tax year in Column E of your Schedule 1299-C or 1299-A, Step 3, or Column F of your Schedule 1299-D, Step 3 on the line that you enter “5” in Column A (Schedule 1299-C only) and Credit Code 5320 in Column B.

Attach a copy of every DCEO certificate received to your Schedule 1299-C, 1299-D, or 1299-A.

■ Research and Development (Credit Code 5340)

35 ILCS 5/201(k)

A taxpayer is entitled to take this credit for tax years ending on or after December 31, 2004 and ending prior to January 1, 2027.

(Qualifying expenses must be from research activities conducted in Illinois.)

“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.

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).

Using the worksheet and instructions below, figure your Illinois qualifying expenses to enter on the Research and Development Worksheet on your Schedule 1299-C or 1299-A, Step 2 or Schedule 1299-D, Step 1.

Research and Development Worksheet

(Qualifying expenses must be from research activities conducted in Illinois.)

Enter the following:	A	B
	Base period avg. expenses	This year’s expenses
1 Illinois wages for qualified services. See instructions below.	1 _____	_____
2 Illinois cost of supplies	2 _____	_____
3 Illinois rental or lease costs of computers	3 _____	_____
4 65% (.65) of Illinois contract expenses	4 _____	_____
5 Illinois basic research payments to qualified organizations (corporations only)	5 _____	_____
6 Add Lines 1 through 5 of each column. Total Illinois qualifying expenses.	6 _____	_____

Lines 1 through 5 – Follow the instructions below to determine the amount to enter in Column A and Column B.

Column A – Enter the yearly average of the base period qualified expenses resulting from activities that were conducted in 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 yearly 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 1 through 5) for that year must be annualized as follows: (qualified expenses x number of days taxable by Illinois) ÷ (365).

Column B – Enter the current year qualified expenses resulting from activities that were conducted in the State of Illinois.

Line 6 – Add Lines 1 through 5 of each column. Transfer the amount on Line 6 in both columns to the Research and Development Worksheet on Schedule 1299-C or 1299-A, Step 2 or Schedule 1299-D, Step 1. Follow the instructions there to determine the amount to enter in Column

E of your Schedule 1299-C or 1299-A, Step 3, or Column F of your Schedule 1299-D, Step 3 on the line that you enter "5" in Column A (Schedule 1299-C only) and Credit Code 5340 in Column B.

■ Wages Paid to Ex-Felons (Credit Code 5380)

35 ILCS 5/216

"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.

For tax years **beginning on or after January 1, 2007**, the Credit for Wages Paid to Ex-Felons 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.

Using the worksheet and these instructions, figure your Wages Paid to Ex-Felons credit to enter on your Schedule 1299.

Lines 1 through 3 – 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 a Wages Paid to Ex-Felons credit for this ex-offender in the 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 4 – Follow the instructions on the worksheet.

A	B	C	D	E	F	G	H	I
Name	SSN	Date hired	Qualified wages	Col. D x 5% (.05)	Max credit amount	Prior credit	Col. F minus Col. G	Enter the lesser of Column E or H
1 _____	_____	___ / ___	_____	_____	\$1,500	_____	_____	1 _____
2 _____	_____	___ / ___	_____	_____	\$1,500	_____	_____	2 _____
3 _____	_____	___ / ___	_____	_____	\$1,500	_____	_____	3 _____
4 Add Column I, Lines 1 through 3. Enter the result in Column E of your Schedule 1299-C or 1299-A, Step 3, or Column F of your Schedule 1299-D, Step 3 on the line that you enter "5" in Column A (Schedule 1299-C only) and Credit Code 5380 in Column B.								4 _____

■ Student-Assistance Contributions (Credit Code 5420)

35 ILCS 5/218

"Qualified Illinois prepaid tuition programs" include:

- Illinois Bright Start College Savings Program,
- Illinois Bright Directions College Savings Program,
- College Illinois Prepaid Tuition Program.

For taxable years **ending on or after December 31, 2009, and on or before December 30, 2021**, if you are an employer who makes a matching contribution to a qualified Illinois prepaid 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.

Using the worksheet and instructions, figure your Student-Assistance Contributions credit to enter in your Schedule 1299.

Lines 1 through 3 – 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 4 – Follow the instructions on the worksheet.

Note: You also must enter the total amount of credits earned and received as distributive shares during your current tax year from Schedule 1299-C, Step 3, Column G on your Schedule M (for individuals), Step 2, Line 8 or from Schedule 1299-D, Step 3, Column G or Schedule 1299-A, Step 3, Column F on your Schedule M (for businesses), Step 2, Line 7.

Student-Assistance Contributions Worksheet

A	B	C	D	E	F
Name	SSN	Qualified contribution amount	Column C x 25% (.25)	Max credit amount	Enter the lesser of Column D or E
1 _____	_____	_____	_____	\$500	1 _____
2 _____	_____	_____	_____	\$500	2 _____
3 _____	_____	_____	_____	\$500	3 _____
4 Add Column F, Lines 1 through 3. Enter the result in Column E of your Schedule 1299-C or 1299-A, Step 3, or Column F of your Schedule 1299-D, Step 3 on the line that you enter "5" in Column A (Schedule 1299-C only) and Credit Code 5420 in Column B.					4 _____

Angel Investment (Credit Code 5460)

35 ILCS 5/220

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

Contact DCEO for more information.

Enter the total amount of credit from all Angel Investment certificates you received from DCEO in Column E of your Schedule 1299-C or 1299-A, Step 3 or Column F of your Schedule 1299-D, Step 3 on the line that you enter "5" in Column A (Schedule 1299-C only) and Credit Code 5460 in Column B.

Attach a copy of every DCEO certificate received to your Schedule 1299-C, 1299-D, or 1299-A.

New Markets Development (Credit Code 5500)

20 ILCS 663/1 et. seq.

The New Markets Development credit is allowed for qualified investments made in a community development entity in tax years beginning on or after December 31, 2008 and ending **before July 1, 2021**. 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.

Enter the amount of New Markets Development credit awarded to you by DCEO during your current tax year in Column E of your Schedule 1299-C or 1299-A, Step 3, or Column F of your Schedule 1299-D, Step 3 on the line that you enter "5" in Column A (Schedule 1299-C only) and Credit Code 5500 in Column B.

Attach a copy of every DCEO certificate received to your Schedule 1299-C, 1299-D, or 1299-A.

River Edge Historic Preservation (Credit Code 5540)

35 ILCS 5/221

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 the Department of Natural Resources (DNR). To qualify for this credit, you must have applied for and received a tax credit certificate from DNR.

Contact [DNR](#) for more information.

Enter the amount of River Edge Historic Preservation credit awarded to you by DNR during your current tax year in Column E of your Schedule 1299-C or 1299-A, Step 3, or Column F of your Schedule 1299-D, Step 3 on the line that you enter "5" in Column A (Schedule 1299-C only) and Credit Code 5540 in Column B.

Attach a copy of every DNR certificate received to your Schedule 1299-C, 1299-D, or 1299-A.

River Edge Construction Jobs (Credit Code 5560)

35 ILCS 5/221

"River Edge construction jobs employee" means a laborer or worker who is employed by an Illinois contractor or subcontractor in the actual construction work on the site of a River Edge construction jobs project.

"River Edge construction jobs project" means building a structure or building, or making improvements of any kind to real property, in a River Edge Redevelopment Zone that is built or improved in the course of completing a qualified rehabilitation plan. River Edge construction jobs project does not include the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property.

"Incremental income tax" means the total amount withheld during the taxable year from the compensation of River Edge Construction Jobs Employees.

"Underserved area" means a geographic area that meets one or more of the following conditions:

(1) the area has a poverty rate of at least 20% according to the latest federal decennial census;

- (2) 75% or more of the children in the area participate in the federal free lunch program according to reported statistics from the State Board of Education;
- (3) at least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance Program (SNAP); or
- (4) the area has an average unemployment rate, as determined by the Illinois Department of Employment Security, that is more than 120% of the national unemployment average, as determined by the U.S. Department of Labor, for a period of at least 2 consecutive calendar years preceding the date of the application.

For taxable years **beginning on or after January 1, 2021**, a taxpayer who has been awarded a credit certificate by DCEO is entitled to a credit. The amount of the credit shall be 50% (75% if the project is located in an underserved area) of the amount of the incremental income tax attributable to River Edge construction job employees employed in the course of completing a River Edge construction job project. To qualify for the credit, you must have applied for and received a tax credit certificate from DCEO.

Contact DCEO for more information.

Enter the amount of River Edge Construction Jobs credit awarded to you by DCEO during your current tax year in Column E of your Schedule 1299-C or 1299-A, Step 3, or Column F of your Schedule 1299-D, Step 3 on the line that you enter "5" in Column A (Schedule 1299-C only) and Credit Code 5560 in Column B.

Attach a copy of every DCEO certificate received to your Schedule 1299-C, 1299-D, or 1299-A.

■ Live Theatre Productions (Credit Code 5580)

35 ILCS 5/222

For tax years **beginning on or after January 1, 2012**, and beginning **prior to January 1, 2022**, the Live Theater Production 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.

Enter the amount of Live Theater Production credit awarded to you by DCEO during your current tax year in Column E of your Schedule 1299-C or 1299-A, Step 3, or Column F of your Schedule 1299-D, Step 3 on the line that you enter "5" in Column A (Schedules 1299-C only) and Credit Code 5580 in Column B.

Attach a copy of every DCEO certificate received to your Schedule 1299-C, 1299-D, or 1299-A.

■ Hospital (Credit Code 5620)

35 ILCS 5/223

For tax years **ending on or after December 31, 2012 and ending on or before December 31, 2022**, 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 current 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 the transferor's return for the period in which the credit is earned.

The taxpayer transferring the credit must attach to their Schedule 1299-C, 1299-D, or 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 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 who in turn should attach a copy of the notice to their Schedule 1299-C, 1299-D or 1299-A when filing their return. 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.

Using the worksheet below, figure your Hospital credit to enter in Column E of your Schedule 1299-A or 1299-C or Column F of your Schedule 1299-D.

Hospital Worksheet	
1 Enter the amount of real property taxes paid during the tax year on Illinois real property used for hospital purposes during the prior tax year.	1 _____
2 Enter the cost of free or discounted services provided at Illinois locations during the tax year pursuant to the hospital's charitable financial assistance policy, measured at cost.	2 _____
3 Enter the lesser of Line 1 or Line 2. This is your Hospital credit before transfers.	3 _____
4 Enter any amount of the credit from Line 3 you have transferred or intend to transfer and attach a written notice of the transfer.	4 _____
5 Subtract Line 4 from Line 3. This amount cannot be less than zero. Enter the result in Column E of your Schedule 1299-C or 1299-A, Step 3, or Column F of your Schedule 1299-D, Step 3 on the line that you enter "5" in Column A (Schedules 1299-C only) and Credit Code 5620 in Column B.	5 _____

Invest in Kids (Credit Code 5660)

35 ILCS 5/224

For taxable years beginning on or after January 1, 2018, and ending before January 1, 2023, you are eligible for this credit if you made a qualified contribution to one or more Scholarship Granting Organizations (SGO) during the taxable year and did not claim any portion of the contribution as a federal tax deduction.

For each Certificate of Receipt (COR) you receive from the SGO(s), enter the total amount from the COR on the line below. Multiply this amount by 75 percent (.75).

_____ x .75 = _____

Enter this total in Column E of your Schedule 1299-C or 1299-A, Step 3, or Column F of your Schedule 1299-D, Step 3 on the line that you enter "5" in Column A (Schedule 1299-C only), Credit Code 5660 in Column B.

Each COR you receive must be entered on a separate line of Schedule 1299. Use the formula above to determine the amount to enter as credit earned in the current year.

Note: Remember to enter the Certificate Number in the correct column.

Do not attach a copy of your COR to Schedule 1299-D, 1299-C or 1299-A; however, you must maintain the copy in your records in the event the Department requests to see the copy.

Instructional Materials and Supplies (Credit Code 5740) (Form IL-1040 filers only)

35 ILCS 5/225

For tax years beginning on and after January 1, 2017, the Instructional Materials and Supplies credit is available to eligible educators for qualified expenses paid during the taxable year. If you were an eligible educator, you can claim a credit up to \$250 for qualified expenses you paid in the current taxable year. If you and your spouse are filing jointly, and both of you were eligible educators, the maximum credit is \$500.

DEFINITIONS

"Eligible educator" is a kindergarten through twelfth grade teacher, instructor, counselor, principal, or aide in a qualified school for at least 900 hours during a school year.

"Materials and supplies" are instructional materials or supplies designated for classroom use in any qualified school.

"Qualified expenses" include ordinary and necessary expenses paid in connection with books, supplies (including nonathletic supplies for courses of instruction in health or physical education), equipment (including computer equipment, software, and services), and other materials used in the classroom. An ordinary expense is one that is common and accepted in your educational field. A necessary expense is one that is helpful and appropriate for your profession as an educator. An expense does not have to be required to be considered necessary.

NOTE: Qualified expenses do not include expenses paid for instruction in a home school.

"Qualified school" is a public school or non-public school located in Illinois.

Note: Home schools are not qualified schools.

Using the worksheet on Schedule 1299-C and the instructions below figure your Instructional Materials and Supplies credit.

If you or your spouse paid amounts for instructional materials and supplies during the taxable year, complete all lines in Column A and Column B.

Line 11a - Enter the Social Security number of the taxpayer or spouse.

Line 11b - Enter the name of the Illinois school where the taxpayer or spouse was employed as a teacher, instructor, counselor, principal, or aide for at least 900 hours during the school year.

Line 11c - Enter the total qualified expenses paid during the taxable year for instructional materials and supplies used in classroom-based instruction at the school entered on Line 11b.

Line 11d - Enter the lesser of the amount on Line 11c or \$250. The maximum credit amount allowed for each column is \$250.

Line 12 - Add Line 11d, Columns A and B, and enter the result. Enter this amount in Column E on Schedule 1299-C, Step 3, on the line that you enter "5" in Column A and Credit Code 5740 in Column B.

Adoption (Credit Code 5780) (Form IL-1040 filers only)

35 ILCS 5/227

For tax years ending on or after December 31, 2018, if you have qualified adoption expenses in the course of adopting an eligible child, you are entitled to the Adoption credit in the amount equal to the amount of the federal adoption tax credit received subject to the limitations detailed in Part 2. DO NOT include any federal carryover when determining the amount of federal adoption tax credit received. An eligible child is any individual who has not attained age 18, or is physically or mentally incapable of caring for himself or herself. The credit is allowed

- in the case of any expense paid or incurred before the taxable year in which the adoption becomes final,
- for the taxable year following the taxable year during which the adoption expense is paid or incurred, or
- in the case of an expense paid or incurred during or after the taxable year in which the adoption becomes final, for the taxable year in which such expense is paid or incurred.

No credit will be allowed for any expense for which funds are received from any Federal, State or local program. Spouses filing a joint return are considered one taxpayer. For nonresidents and part-year residents, the amount of credit shall be in proportion to the amount of income attributable to this state.

Using the worksheet on Schedule 1299-C, Step 2, and the instructions below, figure your Adoption credit. Attach additional pages in the same format, if you are claiming the Adoption credit for more than three children.

Part 1 - Adopted Child Information - For each eligible child you are adopting or have adopted and are claiming qualifying adoption expenses, enter the name, identifying number (Social Security number, ITIN, *etc.*), birth date (month and year) and check the appropriate box(es)

- if the adopted child is an Illinois resident at the time the expenses are paid or incurred.
- if the adoption is final during this tax year.

Part 2 - Figure Your Credit - The total amount of qualified adoption expenses allowed as a credit shall not exceed \$2,000 (\$1,000 in the case of married filing separate return). However, the credit allowed increases to \$5,000 (\$2,500 in the case of a married filing separate return) if the adoption is of an eligible child who is at least one year old and resides in Illinois at the time the expenses are paid or incurred.

Note: When qualified adoption expenses are reported over multiple tax years for the adoption of the same child, any amount of Illinois Adoption credit previously received for this child must be included on your Schedule 1299-C, Part 2, Line 16b, Adoption Credit worksheet. Your total adoption credit for all tax years may not exceed the maximum allowable credit for the adoption of that child.

Line a - Enter the maximum credit allowed based on the above description.

Line b - Enter the amount of any adoption credit previously claimed on an Illinois return for the same child. The maximum credit on Line a is for the entire adoption of that child, no matter how many years the adoption takes to complete.

Line c - Follow the directions on the worksheet.

Line d - Enter the qualified adoption expense you paid or incurred (usually, Line 5 of federal Form 8839, Qualified Adoption Expenses) where qualified adoption expense means any reasonable and necessary adoption fees, court costs, attorney fees, and other expenses which are

- directly related to, and the principal purpose of which is, the legal adoption of an eligible child by the taxpayer,
- not incurred in violation of State or Federal law or in carrying out any surrogate parenting arrangement,
- not expenses in connection with the adoption by an individual of a child who is the child of such individual's spouse, and
- not reimbursed under an employer program or otherwise.

Line e - Follow the directions on the worksheet.

Line f - Total all columns of Line e and enter the result here.

Line g - Follow the directions on the worksheet.

Line h - Follow the directions on the worksheet. Enter the total in Column E of your Schedule 1299-C, Step 3, on the line that you enter "5" in Column A and Credit Code 5780 in Column B.

ATTACH: You must attach a copy of Federal Form 8839, Qualified Adoption Expenses to your Form IL-1040, if you enter an Adoption credit amount on Schedule 1299-C.

■ Data Center Construction Employment (Credit Code 5820)

35 ILCS 5/229

For taxable years **beginning on or after January 1, 2019**, a taxpayer who has been awarded a credit certificate by DCEO is entitled to a credit. The amount of the credit shall be 20% of the wages paid during the taxable year to a full-time or part-time employee of a construction contractor employed by a certified data center. To qualify for the credit, you must have applied for and received a tax credit certificate from DCEO.

Contact DCEO for more information.

Enter the total amount of your wages as listed on your DCEO certificate(s) on the line below. Multiply this amount by 20 percent (.20).

_____ x .20 = _____

Enter the result in Column E of your Schedule 1299-C or 1299-A, Step 3 or Column F of your Schedule 1299-D, Step 3 on the line that you enter "5" in Column A (Schedule 1299-C only) and Credit Code 5820 in Column B.

Attach a copy of every DCEO certificate received to your Schedule 1299-C, 1299-D, or 1299-A.

Tax Credits that can be carried for ten years

■ Historic Preservation (Credit Code 1030)

35 ILCS 5/228

For tax years **beginning on or after January 1, 2019, and ending on or before December 31, 2023**, a taxpayer who qualifies for a credit under the Historic Preservation Tax Credit Act is entitled to a credit based on a qualified rehabilitation plan approved by the Department of Natural Resources (DNR). To qualify for this credit, you must have applied for and received a tax credit certificate from DNR.

Contact DNR for more information.

Enter the amount of credit from the tax credit certificate you received from DNR in Column E of your Schedule 1299-C or 1299-A, Step 3 or Column F of your Schedule 1299-D, Step 3 on the line that you enter "10" in Column A (Schedule 1299-C only) and Credit Code 1030 in Column B.

Attach a copy of every tax credit certificate from DNR to your Schedule 1299-C, 1299-A, or 1299-D.