



Illinois Department of Revenue
2007 Form IL-1065
Partnership Replacement Tax Return

Due on or before the 15th day of the 4th month following the close of the tax year.

If this return is not for calendar year 2007, write your fiscal tax year here.

Tax year beginning ____/____/____, 2007, ending ____/____/20__

Write the amount you are paying.
 \$ _____

Step 1: Identify your partnership

A Write your business name and mailing address.
 If you have an address change, check this box.

 Name

 C/O

 Mailing address

 City State ZIP

B Check the box if one of the following apply.
 first return final return (If final, write the date ____/____/____)

C If this is a final return because you sold this business, write the date sold ____/____/____, and the new owner's FEIN.

D Special Apportionment Formulas. If you use a special apportionment formula, check the appropriate box and see Special Apportionment Formula instructions.
 Financial organizations Transportation companies

E Check if you are classified as an investment partnership.

F Write your federal employer identification no. (FEIN).

G Write your Illinois Business Tax number (IBT).

H Check the box if you are a member of a unitary business group, and write the FEIN of the member filing the Schedule UB, Combined Apportionment for Unitary Business Groups.

I Write the state and zip code where your accounting records are kept. (Use the two-letter postal abbreviation. E.g., IL, GA, etc.)
 State _____ Zip _____

J If you are making the business income election, to treat all nonbusiness income as business income, check here and write "0" on Lines 37 and 45.

K Check if you are making an IRC § 761 election.

L If you have completed the following federal forms, check the box and **attach** them to this return.
 Federal Form 8886 Federal Sch. M-3

Step 2: Figure your ordinary income or loss

▼ Attach your payment here.
 ▲

- | | |
|---|---------|
| 1 Ordinary income or loss or equivalent from federal Schedule K. | 1 _____ |
| 2 Net income or loss from all rental real estate activities. | 2 _____ |
| 3 Net income or loss from other rental activities. | 3 _____ |
| 4 Portfolio income or loss. | 4 _____ |
| 5 Net IRC Section 1231 gain or loss from involuntary conversions due to casualty and theft. | 5 _____ |
| 6 All other items of income or loss that were not included in the computation of income or loss on Page 1 of U.S Form 1065 or 1065-B. See instructions. Identify: _____ | 6 _____ |
| 7 Add Lines 1 through 6. This is your ordinary income or loss. | 7 _____ |

Step 3: Figure your unmodified base income or loss

- | | |
|---|----------|
| 8 Charitable contributions. | 8 _____ |
| 9 Expense deduction under IRC Section 179. | 9 _____ |
| 10 Interest on investment indebtedness. | 10 _____ |
| 11 All other items of expense that were not deducted in the computation of ordinary income or loss on Page 1 of U.S. Form 1065 or 1065-B. See instructions. Identify: _____ | 11 _____ |
| 12 Add Lines 8 through 11. | 12 _____ |
| 13 Subtract Line 12 from Line 7. This amount is your total unmodified base income or loss. | 13 _____ |

NS DR _____

14 Write your unmodified base income from Line 13. 14 _____

Step 4: Figure your income or loss

15 State, municipal, and other interest income excluded from Line 14. 15 _____
16 Illinois replacement tax deducted in arriving at Line 14. 16 _____
17 Illinois Bonus Depreciation addition. **Attach** Form IL-4562. 17 _____
18 Related-Party Expenses addition. **Attach** Schedule 80/20. 18 _____
19 Distributive share of additions. **Attach** Schedule K-1-P or K-1-T. 19 _____
20 Guaranteed payments to partners from U.S. Form 1065. 20 _____
21 The amount of loss distributable to a partner subject to replacement tax. **Attach** Schedule B. 21 _____
22 Other additions. **Attach** Illinois Schedule M (for businesses). 22 _____
23 Add Lines 14 through 22. This amount is your income or loss. 23 _____

Step 5: Figure your Illinois base income or net loss

24 Interest income from U.S. Treasury obligations or other exempt federal obligations. 24 _____
25 August 1, 1969 valuation limitation amount. **Attach** Schedule F. 25 _____
26 Personal service income or reasonable allowance for compensation of partners. 26 _____
27 Share of income distributable to a partner subject to replacement tax. **Attach** Schedule B. 27 _____
28 Expenses incurred in producing certain federally tax-exempt income or federal credits. 28 _____
29 Enterprise Zone or River Edge Redevelopment Zone dividend subtraction. **Attach** Schedule 1299-A. 29 _____
30 High Impact Business dividend subtraction. **Attach** Schedule 1299-A. 30 _____
31 Illinois Bonus Depreciation subtraction. **Attach** Form IL-4562. 31 _____
32 Related-Party Expenses subtraction. **Attach** Schedule 80/20. 32 _____
33 Distributive share of subtractions. **Attach** Schedule K-1-P or K-1-T. 33 _____
34 Other subtractions. **Attach** Schedule M (for businesses). 34 _____
35 Total subtractions. Add Lines 24 through 34. 35 _____
36 Base income or net loss. Subtract Line 35 from Line 23. 36 _____



If the amount on Line 36 is derived inside and outside Illinois, complete Step 6; otherwise go to Step 7.

Step 6: Figure your income allocable to Illinois

37 Nonbusiness income or loss. **Attach** Schedule NB. 37 _____
38 Non-unitary partnership business income or loss included in Line 36. 38 _____
39 Add Lines 37 and 38. 39 _____
40 Business income or loss. Subtract Line 39 from Line 36. 40 _____
41 Total sales everywhere. This amount cannot be negative. 41 _____
42 Total sales inside Illinois. This amount cannot be negative. 42 _____
43 Apportionment factor. Divide Line 42 by Line 41 (carry to six decimal places). 43 . _____
44 Business income or loss apportionable to Illinois. Multiply Line 40 by Line 43. 44 _____
45 Nonbusiness income or loss allocable to Illinois. **Attach** Schedule NB. 45 _____
46 Non-unitary partnership business income or loss apportionable to Illinois. 46 _____
47 Base income or net loss allocable to Illinois. Add Lines 44 through 46. 47 _____

Step 7: Figure your net income

48 Base income or net loss from Step 5, Line 36, or Step 6, Line 47. 48 _____
49 Illinois net loss deduction. **Attach** Schedule NLD.
If Line 48 is zero or a negative amount, write "0." 49 _____
50 Income after NLD. Subtract Line 49 from Line 48. 50 _____
51 Write the amount from Step 5, Line 36. 51 _____
52 Divide Line 48 by Line 51. (This figure cannot be greater than "1.") 52 . _____
53 Exemption allowance. Multiply Line 52 by \$1,000. (Short-year filers, see instructions.) 53 _____
54 **Net income.** Subtract Line 53 from Line 50. 54 _____

55 Write the amount from Line 54. 55 _____|_____

Step 8: Figure your net replacement tax

56 Replacement tax. Multiply Line 55 by 1.5% (.015). 56 _____|_____

57 Recapture of investment credits. Attach Schedule 4255. 57 _____|_____

58 Replacement tax before investment credits. Add Lines 56 and 57. 58 _____|_____

59 Investment credits. Attach Form IL-477. 59 _____|_____

60 Net replacement tax. Subtract Line 59 from Line 58. Write "0" if this is a negative amount. 60 _____|_____

Step 9: Figure your refund or balance due

61 Payments

a Credit from 2006 overpayment. a _____|_____

b Form IL-505-B (extension) payment. b _____|_____

62 Total payments. Add Lines 61a and 61b. 62 _____|_____

63 Overpayment. If Line 62 is greater than Line 60, subtract Line 60 from Line 62. 63 _____|_____

64 Amount to be credited to 2008. 64 _____|_____

65 Refund. Subtract Line 64 from Line 63. This is the amount to be refunded. 65 _____|_____

66 Tax Due. If Line 60 is greater than Line 62, subtract Line 62 from Line 60. 66 _____|_____

► **Make your check payable to "Illinois Department of Revenue" and attach to the front of this form.** ◀

Special Note Write the amount of your payment on the top of Page 1 in the space provided.

Step 10: Sign here

Under penalties of perjury, I state that I have examined this return and, to the best of my knowledge, it is true, correct, and complete.

_____/_____/_____
Signature of partner Date Title (_____) Phone

_____/_____/_____
Signature of preparer Date Preparer's Social Security number or firm's FEIN

Preparer firm's name (or yours, if self-employed) Address (_____) Phone

► **Mail this return to: Illinois Department of Revenue, P.O. Box 19031, Springfield, IL 62794-9031** ◀





Schedule B Partners' or Shareholders' Identification

Attach to your Form IL-1065 or Form IL-1120-ST

IL Attachment no. 1

Write your name as shown on your Form IL-1065 or Form IL-1120-ST.

Write your federal employer identification number (FEIN).

Step 1: Provide the following information

- 1 Write the amount of base income or net loss from your Form IL-1065 or Form IL-1120-ST, Line 48. **1** _____
- 2 Write the apportionment factor from your Form IL-1065 or Form IL-1120-ST, Line 43. **2** ____.

Step 2: Identify your partners or shareholders. Attach additional sheets if necessary.

	A	B	C	D	E	F
	Name and Address	Social Security number or FEIN	Partner or Shareholder type (See instructions.)	Total amount of base income (loss) distributable (See instructions.)	Check if the partner or shareholder is subject to Illinois replacement tax (See instructions.)	Check if partner or shareholder's income is included on a Composite return (Form IL-1023-C).
1	_____	_____	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
2	_____	_____	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
3	_____	_____	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
4	_____	_____	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
5	_____	_____	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
6	_____	_____	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
7	_____	_____	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>

- 8 Add the amounts shown in Column D for partners or shareholders for which you have entered a check in Column E. Write the total here. (See instructions.) **8** _____