

 **Illinois Department of Revenue**
2018 IL-2220 Computation of Penalties for Businesses

Attach to your Form IL-1120, IL-1120-ST, IL-1065, IL-1041, or IL-990-T
 For tax years ending **on or after** December 31, 2018.

IL Attachment No. 19

Read this information first - We encourage you to let us figure your penalties and send you a bill instead of completing this form yourself. **You must complete** this form if you are using the annualized income installment method for late-payment penalty for underpayment of estimated tax in Step 6. You do not owe the late-payment penalty for underpayment of estimated tax if you made timely estimated installment payments equaling at least 90 percent of this year's tax liability or 100 percent of the prior year's tax liability (provided you reported a liability in the prior year and it was not a short taxable year). See the Specific Instructions for more information. The late-payment penalty for underpayment of estimated tax is based on the tax shown due on your original return. Do not use the tax shown on an amended return filed after the extended due date of the return to compute your required installments in Step 2.

Step 1: Provide the following information

- 1 This form is for the 2018 calendar year or fiscal year beginning / / 2018, and ending / / Month Day Year.
- 2 Enter your FEIN as it appears on your annual return. 2 _____ - _____
- 3 Enter your name as it appears on your annual return. 3 _____
- 4 If your prior year return was filed under a different FEIN than the one shown on Line 2, enter that number here. 4 _____ - _____

Step 2: Figure your required installments - Form IL-1120 filers only

	A		B	
	This year		Last year	
5 Enter the total net income and replacement tax and surcharge from Form IL-1120. If prior year's tax was zero or you filed a short year return, enter "N/A" in Column B. You may be required to make installments even if you enter "N/A" in Column B. See instructions.	5 _____	.00	_____	.00
6 Enter the total amount of pass-through withholding and Illinois gambling withholding from Form IL-1120. See instructions.	6 _____	.00		
7 Subtract Line 6 from Column A, Line 5.	7 _____	.00		
8 Multiply Column A, Line 5, by 90% (.9).	8 _____	.00		
9 If Line 7, is \$400 or less, enter "0" and go to Step 3. Otherwise, enter the lesser of Line 8, or Column B, Line 5. (If Line 7 is more than \$400 and you entered "N/A" in Column B, Line 5, enter the amount from Line 8.) _____	9 _____	.00		
10 Divide the amount on Line 9 by four. This is the amount of each required installment. (If you used the annualized income installment method, see instructions for Line 12.)	10 _____	.00		
11 Enter in Quarters 1 through 4, the installment date that corresponds with the 15th day of the 4th, 6th, 9th, and 12th month of your tax year.	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	11 _____	_____	_____	_____
12 Enter the required installment. See instructions.	12 _____	.00	_____	.00
13 Enter the amount of any pass-through and gambling withholding shown on Form W-2G. See instructions.	13 _____	.00	_____	.00
14 Subtract Line 13 from Line 12. If the amount is negative, use brackets.	14 _____	.00	_____	.00
15 If the amount on Line 16 of the previous quarter is negative, enter that amount as a positive here. Otherwise, enter "0."	15 <small>Skip this line for Quarter 1.</small>	_____	.00	_____
16 Subtract Line 15 from Line 14. If the amount is negative, use brackets.	16 _____	.00	_____	.00

Step 3: Figure your unpaid tax - all taxpayers

- 17 Enter your total net income and replacement tax, surcharge, and pass-through withholding you owed and reported on behalf of your members. See instructions. 17 _____ .00
- 18 **a** Enter the total amount of all payments made on or before the original due date of your tax return. Include credit(s) carried forward from a prior year (see instructions); total estimated payments, prepayments, extension payments or annual payments made with your tax return all paid with your tax return "V" voucher; pass-through withholding reported on your behalf; electronic payments; and withholding shown on your W-2G or 1099 forms. 18a _____ .00
- b Form IL-1120 filers only:** Enter the total of all Columns, Line 12. All others, enter zero. 18b _____ .00
- Enter the **greater** of Line 18a or Line 18b here. 18 _____ .00
- 19 Subtract Line 18 from Line 17. If this amount is
 - positive**, enter that amount here. Continue to Step 4 and enter this amount in Penalty Worksheet 2, Column C, Line 23.
 - zero or negative**, enter that amount here and, if negative, use brackets. 19 _____ .00



Step 4: Figure your late-payment penalty

Use Penalty Worksheet 1 to figure your late-payment penalty for underpayment of estimated tax.

Use Penalty Worksheet 2 to figure your late-payment penalty for unpaid tax.



Note You **must** follow the instructions in order to properly complete the penalty worksheets.

20 Enter the amount and the date of each payment you made. Include any credit(s) carried forward from a prior year. See instructions.

	Amount	Date paid	Amount	Date paid	Amount	Date paid
a	_____	__/__/____	e	__/__/____	i	__/__/____
b	_____	__/__/____	f	__/__/____	j	__/__/____
c	_____	__/__/____	g	__/__/____	k	__/__/____
d	_____	__/__/____	h	__/__/____	l	__/__/____

Penalty rates

Number of days late Penalty rate

1 - 30..... .02
31 or more..... .10

Penalty Worksheet 1 — Late-payment penalty for underpayment of estimated tax - Form IL-1120 filers only

Note If you paid the required amount from Line 16 by the payment due date on Line 11 for each quarter, do not complete this worksheet.

21 Enter the unpaid amounts from Line 16, Quarters 1 through 4, on the first line of the appropriate quarters in Column C below.

A	B	C	D	E	F	G	H	I
Period	Due date	Unpaid amount	Payment applied	Balance due (Col. C - Col. D)	Payment date	No. of days late	Penalty rate (see above)	Penalty
Qtr. 1	__/__/____	_____	_____	_____	__/__/____	_____	_____	_____
		_____	_____	_____	__/__/____	_____	_____	_____
		_____	_____	_____	__/__/____	_____	_____	_____
Qtr. 2	__/__/____	_____	_____	_____	__/__/____	_____	_____	_____
		_____	_____	_____	__/__/____	_____	_____	_____
		_____	_____	_____	__/__/____	_____	_____	_____
Qtr. 3	__/__/____	_____	_____	_____	__/__/____	_____	_____	_____
		_____	_____	_____	__/__/____	_____	_____	_____
		_____	_____	_____	__/__/____	_____	_____	_____
Qtr. 4	__/__/____	_____	_____	_____	__/__/____	_____	_____	_____
		_____	_____	_____	__/__/____	_____	_____	_____
		_____	_____	_____	__/__/____	_____	_____	_____

22 Add Column I, Quarters 1 through 4. This is your **late-payment penalty for underpayment of estimated tax.**

Enter the total amount here and on Form IL-1120, Step 8, Line 58.

22 _____

Note You may apply any remaining overpayment from the 4th quarter in Column E above to any underpayment when figuring Penalty Worksheet 2, only if the payment date shown in the 4th quarter of Column F is after the original due date of the return.

Penalty Worksheet 2 — Late-payment penalty for unpaid tax

23 Enter any positive amount from Line 19 on the first line of Column C below.

A	B	C	D	E	F	G	H	I
Return	Due date	Unpaid amount	Payment applied	Balance due (Col. C - Col. D)	Payment date	No. of days late	Penalty rate (see above)	Penalty
	__/__/____	_____	_____	_____	__/__/____	_____	_____	_____
		_____	_____	_____	__/__/____	_____	_____	_____
		_____	_____	_____	__/__/____	_____	_____	_____

24 Add Column I. This is your **late-payment penalty for unpaid tax.**

Enter the total amount here and on Step 5, Line 28.

24 _____

Step 5: Figure your late-filing penalty, total penalties, and the amount you owe

Note Complete Lines 25 through 27 to figure your late-filing penalty only if

- you are filing your return after the extended due date; and
- your tax was not paid by your original due date.



25	Enter the amount of your tax due from your return. See instructions.	25	_____	.00
26	Multiply the amount on Line 25 by 2% (.02).	26	_____	.00
27	Enter the lesser of Line 26 or \$250. This is your late-filing penalty .	27	_____	.00
28	Enter your late-payment penalty for unpaid tax from Line 24.	28	_____	.00
29	If you have an overpayment on your tax return*, enter that amount as a <negative number>. If you have an amount due on your tax return*, enter that amount here.	29	_____	.00
* Note See instructions for the correct line references for all tax returns.				
30	Add Lines 27, 28, and 29. If the result is positive, this is the total amount you owe. If the result is negative, this is the amount you are overpaid.	30	_____	.00
Note This amount may not match your overpayment or tax due on your original tax form. Pay the amount on Line 30 if you wish to pay your penalties at this time. Otherwise, we will send you a bill.				

Step 6: Complete the annualization worksheet for Step 2, Line 12

Note Complete this worksheet if your income was not received evenly throughout the year and you choose to annualize your income.

Beginning with Column A, complete Lines 31 through 50 of each column. If you fail to complete all lines of Step 6, Lines 31 through 50, Columns A through D, we may disregard your election to annualize your income and calculate your late-payment penalty for underpayment of estimated tax based on four equal installments.

	A	B	C	D		
		First 3 months	First 6 months	First 9 months		
31	Enter your Illinois net income for each period. If negative, enter "0".	31	_____	_____	_____	_____
32	Annualization factors	32	_____	_____	_____	_____
33	Multiply Line 31 by Line 32.	33	_____	_____	_____	_____
		First 3 months	First 5 months	First 8 months	First 11 months	
34	Enter your Illinois net income for each period. If negative, enter "0".	34	_____	_____	_____	_____
35	Annualization factors	35	_____	_____	_____	_____
36	Multiply Line 34 by Line 35.	36	_____	_____	_____	_____
37	In Column A, enter the amount from Line 36, Column A. In Columns B, C, and D, enter the lesser of Line 33 or 36 for each period.	37	_____	_____	_____	_____
38	Net replacement tax for the period. See instructions.	38	_____	_____	_____	_____
39	Net income tax for the period. See instructions.	39	_____	_____	_____	_____
40	Cannabis surcharge for the period. See instructions.	40	_____	_____	_____	_____
41	Add Lines 38, 39, and 40.	41	_____	_____	_____	_____
42	Applicable percentage	42	22.5% (.225)	45% (.45)	67.5% (.675)	90% (.9)
43	Multiply Line 41 by Line 42. This is your annualized installment.	43	_____	_____	_____	_____
44	Add the amounts on Line 50 of each of the preceding columns and enter the total here.	44	Do not write on this line.	_____	_____	_____
45	Subtract Line 44 from Line 43. If less than zero, enter "0."	45	_____	_____	_____	_____
46	See instructions.	46	_____	_____	_____	_____
47	Enter the amount from Line 49 of the preceding column.	47	Do not write on this line.	_____	_____	_____
48	Add Lines 46 and 47.	48	_____	_____	_____	_____
49	If Line 48 is greater than Line 45, subtract Line 45 from Line 48. Otherwise, enter "0."	49	_____	_____	_____	Do not write on this line.
50	Enter the lesser of Line 45 or 48 here and on Step 2, Line 12. This is your required installment.	50	_____	_____	_____	_____
		Go to Column B, Line 31	Go to Column C, Line 31	Go to Column D, Line 31		