



# Illinois Department of Revenue

## 2021 Form IL-1065

### Partnership Replacement Tax Return



See "When should I file?" in the Form IL-1065 instructions for a list of due dates.

If this return is not for calendar year 2021, enter your fiscal tax year here.

Tax year beginning month day 20 year, ending month day 20 year



This form is for tax years ending on or after December 31, 2021, and before December 31, 2022. For all other situations, see instructions to determine the correct form to use.

Enter the amount you are paying.

\$

#### Step 1: Identify your partnership

**A** Enter your complete legal business name.

If you have a name change, check this box. ☐

Name: \_\_\_\_\_

**B** Enter your mailing address.

Check this box if either of the following apply: ☐

- this is your **first return**, or
- you have an **address change**.

C/O: \_\_\_\_\_

Mailing address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

**C** If this is the first or final return, check the applicable box(es).

☐ First return

☐ Final return (Enter the date of termination. mm dd yyyy)

**D** If this is a final return because you sold this business, enter the date sold (mm dd yyyy) \_\_\_\_\_, and the new owner's FEIN. \_\_\_\_\_

**E Apportionment Formulas.** Check the appropriate box or boxes and see Apportionment Formula instructions.

- ☐ Financial organizations ☐ Transportation companies  
☐ Federally regulated exchanges ☐ Sales companies

**F** Check this box if you are:

- ☐ classified as an investment partnership  
☐ classified as a publicly-traded partnership

**G** Check this box if you made an IRC § 761 election. ☐

**H** Check this box if you are a 52/53 week filer. ☐

**I** Check this box if you elected to file and pay Pass-through Entity Tax. (See instructions.) ☐

**J** If you are paying Pass-through Entity Tax and you annualized your income on Form IL-2220, check this box and **attach** Form IL-2220. ☐

**K** Enter your federal employer identification number (FEIN). \_\_\_\_\_

**L** ☐ Check this box if you are a member of a unitary business group **and** are included on a Schedule UB, Combined Apportionment for Unitary Business Group. Enter the FEIN of the member who prepared the Schedule UB and **attach** it to this return. \_\_\_\_\_

**M** Enter your North American Industry Classification System (NAICS) Code. See instructions. \_\_\_\_\_

**N** Enter the city, state, and zip code where your accounting records are kept. (Use the two-letter postal abbreviation, **e.g.**, IL, GA, etc.)

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

**O** If you are making the business income election to treat all nonbusiness income as business income, check this box and enter zero on Lines 36 and 44. ☐

**P** If you have completed the following, check the box and **attach** the federal form(s) to this return.

- ☐ Federal Form 8886 ☐ Federal Sch. M-3, Part II, Line 10

**Q** Check this box if you attached Form IL-4562. ☐

**R** Check this box if you attached Illinois Schedule M (for businesses). ☐

**S** Check this box if you attached Schedule 80/20. ☐

**T** Check this box if you attached Schedule 1299-A. ☐

**U** Check this box if your business activity is protected under Public Law 86-272. ☐

**V** Check this box if you attached the Subgroup Schedule. ☐

#### Step 2: Figure your ordinary income or loss

- 1 Ordinary income or loss, or equivalent from federal Schedule K.
- 2 Net income or loss from all rental real estate activities.
- 3 Net income or loss from other rental activities.
- 4 Portfolio income or loss.
- 5 Net IRC Section 1231 gain or loss.
- 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. See instructions. Identify: \_\_\_\_\_
- 7 Add Lines 1 through 6. This is your ordinary income or loss.

(Whole dollars only)

1 \_\_\_\_\_ .00  
2 \_\_\_\_\_ .00  
3 \_\_\_\_\_ .00  
4 \_\_\_\_\_ .00  
5 \_\_\_\_\_ .00  
6 \_\_\_\_\_ .00  
7 \_\_\_\_\_ .00

#### Step 3: Figure your unmodified base income or loss

- 8 Charitable contributions.
- 9 Expense deduction under IRC Section 179.
- 10 Interest on investment indebtedness.
- 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. See instructions. Identify: \_\_\_\_\_
- 12 Add Lines 8 through 11.
- 13 Subtract Line 12 from Line 7. This amount is your total unmodified base income or loss.

8 \_\_\_\_\_ .00  
9 \_\_\_\_\_ .00  
10 \_\_\_\_\_ .00  
11 \_\_\_\_\_ .00  
12 \_\_\_\_\_ .00  
13 \_\_\_\_\_ .00



Attach your payment and Form IL-1065-V here.

**Step 4: Figure your income or loss**

14	Enter your unmodified base income or loss from Line 13.	14	_____	.00
15	State, municipal, and other interest income excluded from Line 14.	15	_____	.00
16	Illinois replacement tax deducted in arriving at Line 14.	16	_____	.00
17	Illinois Special Depreciation addition. <b>Attach</b> Form IL-4562.	17	_____	.00
18	Related-Party Expenses addition. <b>Attach</b> Schedule 80/20.	18	_____	.00
19	Distributive share of additions. <b>Attach</b> Schedule(s) K-1-P or K-1-T.	19	_____	.00
20	Guaranteed payments to partners from U.S. Form 1065.	20	_____	.00
21	The amount of loss distributable to a partner subject to replacement tax. <b>Attach</b> Schedule B.	21	_____	.00
22	Other additions. <b>Attach</b> Illinois Schedule M (for businesses).	22	_____	.00
23	Add Lines 14 through 22. This amount is your income or loss.	23	_____	.00

**Step 5: Figure your base income or loss**

24	Interest income from U.S. Treasury or other exempt federal obligations.	24	_____	.00
25	August 1, 1969, valuation limitation amount. <b>Attach</b> Schedule F.	25	_____	.00
26	Personal service income or reasonable allowance for compensation of partners.	26	_____	.00
27	Share of income distributable to a partner subject to replacement tax. <b>Attach</b> Schedule B.	27	_____	.00
28	River Edge Redevelopment Zone Dividend subtraction. <b>Attach</b> Schedule 1299-A.	28	_____	.00
29	High Impact Business Dividend subtraction. <b>Attach</b> Schedule 1299-A.	29	_____	.00
30	Illinois Special Depreciation subtraction. <b>Attach</b> Form IL-4562.	30	_____	.00
31	Related-Party Expenses subtraction. <b>Attach</b> Schedule 80/20.	31	_____	.00
32	Distributive share of subtractions. <b>Attach</b> Schedule(s) K-1-P or K-1-T.	32	_____	.00
33	Other subtractions. <b>Attach</b> Schedule M (for businesses).	33	_____	.00
34	Total subtractions. Add Lines 24 through 33.	34	_____	.00
35	<b>Base income or loss.</b> Subtract Line 34 from Line 23.	35	_____	.00

	<b>A</b> If the amount on Line 35 is derived inside Illinois only, check this box and enter the amount from Step 5, Line 35 on Step 7, Line 47. You may not complete Step 6. (You must leave Step 6, Lines 36 through 46 blank.) <input type="checkbox"/>
	 <b>Note</b> If you are a unitary filer, do not check this box. Check the box on Line B and complete Step 6.
	<b>B</b> If any portion of the amount on Line 35 is derived outside Illinois, or you are a unitary filer, check this box and complete <u>all lines</u> of Step 6. (Do not leave Lines 40 through 42 blank.) See instructions. <input type="checkbox"/>

**Step 6: Figure your income allocable to Illinois** (Complete only if you checked the box on Line B, above.)

36	Nonbusiness income or loss. <b>Attach</b> Schedule NB.	36	_____	.00
37	Business income or loss included in Line 35 from non-unitary partnerships, partnerships included on a Schedule UB, S corporations, trusts, or estates. See instructions.	37	_____	.00
38	Add Lines 36 and 37.	38	_____	.00
39	Business income or loss. Subtract Line 38 from Line 35.	39	_____	.00
40	Total sales everywhere. This amount cannot be negative.	40	_____	.00
41	Total sales inside Illinois. This amount cannot be negative.	41	_____	.00
42	Apportionment factor. Divide Line 41 by Line 40. Round to six decimal places. 42 _____			
43	Business income or loss apportionable to Illinois. Multiply Line 39 by Line 42.	43	_____	.00
44	Nonbusiness income or loss allocable to Illinois. <b>Attach</b> Schedule NB.	44	_____	.00
45	Business income or loss apportionable to Illinois from non-unitary partnerships, partnerships included on a Schedule UB, S corporations, trusts, or estates. See instructions.	45	_____	.00
46	<b>Base income or loss allocable to Illinois.</b> Add Lines 43 through 45.	46	_____	.00

**Step 7: Figure your net income**

- 47 Base income or net loss from Step 5, Line 35, or Step 6, Line 46. 47 \_\_\_\_\_ .00
- 48 Illinois net loss deduction. **If Line 47 is zero or a negative amount, enter zero.** 48 \_\_\_\_\_ .00  
Check this box and attach a detailed statement if you have merged losses. ☐
- 49 Income after NLD. Subtract Line 48 from Line 47. 49 \_\_\_\_\_ .00
- 50 Enter the amount from Step 5, Line 35. 50 \_\_\_\_\_ .00
- 51 Divide Line 47 by Line 50. Round the result to six decimal places. This figure cannot be greater than one. 51 \_\_\_\_\_ .
- 52 Exemption allowance. See instructions before completing. 52 \_\_\_\_\_ .00
- 53 **Net income.** Subtract Line 52 from Line 49. 53 \_\_\_\_\_ .00

**Step 8: Figure the taxes, pass-through withholding, and penalty you owe**

- 54 Replacement tax. Multiply Line 53 by 1.5% (.015). 54 \_\_\_\_\_ .00
- 55 Recapture of investment credits. **Attach** Schedule 4255. 55 \_\_\_\_\_ .00
- 56 Replacement tax before investment credits. Add Lines 54 and 55. 56 \_\_\_\_\_ .00
- 57 Investment credits. **Attach** Form IL-477. 57 \_\_\_\_\_ .00
- 58 **Net replacement tax.** Subtract Line 57 from Line 56. If the amount is negative, enter zero. 58 \_\_\_\_\_ .00
- 59 Pass-through withholding you owe on behalf of your members. Enter the amount from Schedule B, Section A, Line 9. See instructions. **Attach** Schedule B. 59 \_\_\_\_\_ .00
- 60 Pass-through entity income. See instructions. ☒ 60 \_\_\_\_\_ .00 ☒
- 61 **Pass-through entity tax.** Multiply Line 60 by 4.95% (.0495). 61 \_\_\_\_\_ .00
- 62 **Total net replacement tax, pass-through withholding, and pass-through entity tax you owe.** Add Lines 58, 59, and 61. 62 \_\_\_\_\_ .00
- 63 Underpayment of estimated tax penalty from Form IL-2220. See instructions. 63 \_\_\_\_\_ .00
- 64 **Total taxes, pass-through withholding, and penalty.** Add Lines 62 and 63. 64 \_\_\_\_\_ .00

**Step 9: Figure your refund or balance due**

- 65 Payments. See instructions.
- a Credits from previous overpayments. 65a \_\_\_\_\_ .00
- b Total payments made before the date this return is filed. 65b \_\_\_\_\_ .00
- c Pass-through withholding reported to you. **Attach** Schedule(s) K-1-P or K-1-T. 65c \_\_\_\_\_ .00
- d Illinois income tax withholding. **Attach** Form(s) W-2G. 65d \_\_\_\_\_ .00
- 66 Total payments. Add Lines 65a through 65d. 66 \_\_\_\_\_ .00
- 67 Overpayment. If Line 66 is greater than Line 64, subtract Line 64 from Line 66. 67 \_\_\_\_\_ .00
- 68 Amount to be **credited forward**. See instructions. ☒ 68 \_\_\_\_\_ .00 ☒  
Check this box and attach a detailed statement if this carryforward is going to a different FEIN. ☐
- 69 **Refund.** Subtract Line 68 from Line 67. This is the amount to be refunded. 69 \_\_\_\_\_ .00
- 70 **Complete to direct deposit your refund**
- |                |                      |   |
|----------------|----------------------|---|
| Routing Number | <input type="text"/> | <input type="checkbox"/> Checking or <input type="checkbox"/> Savings |
| Account Number | <input type="text"/> |   |
- 71 **Tax Due.** If Line 64 is greater than Line 66, subtract Line 66 from Line 64. This is the amount you owe. 71 \_\_\_\_\_ .00
- Special Note** Enter the amount of your payment on the top of Page 1 in the space provided.

**Step 10: Sign below** - 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.

Sign Here				<input type="checkbox"/> Check if the Department may discuss this return with the paid preparer shown in this step.		
	Signature of partner	Date (mm/dd/yyyy)	Title			
Paid Preparer Use Only	Print/Type paid preparer's name		Paid preparer's signature	Date (mm/dd/yyyy)	<input type="checkbox"/> Check if self-employed	Paid Preparer's PTIN
	Firm's name		Firm's FEIN			
	Firm's address		Firm's phone		( )	

**Refer to the 2021 IL-1065 Instructions for the address to mail your return.**



Illinois Department of Revenue  
**2021 Schedule B**  
**Partners' or Shareholders' Information**



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

Year ending

Month Year

**IL Attachment No. 1**

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

Enter your federal employer identification number (FEIN).



**Read this information first**

- You must read the Schedule B instructions and complete Schedule(s) K-1-P and Schedule(s) K-1-P(3) before completing this schedule.
- You must complete Section B of Schedule B and provide all the required information for your partners or shareholders before completing Section A of Schedule B.



Failure to follow these instructions may delay the processing of your return or result in you receiving further correspondence from the Department. You may also be required to submit further information to support your filing.

**Section A: Total members' information (from Schedule(s) K-1-P and Schedule B, Section B)**



Before completing this section you must first complete Schedule(s) K-1-P, Schedule(s) K-1-P(3) and Schedule B, Section B. You will use the amounts from those schedules when completing this section.

**Totals for resident and nonresident partners or shareholders (from Schedule(s) K-1-P and Schedule B, Section B)**

- |          |   |          |       |
|----------|---|----------|-------|
| <b>1</b> | Enter the total of all nonbusiness income or loss you reported on Schedule(s) K-1-P for your members. See instructions.   | <b>1</b> | _____ |
| <b>2</b> | Enter the total of all income and replacement tax credits you reported on Schedule(s) K-1-P for your members. See instructions.   | <b>2</b> | _____ |
| <b>3</b> | Add the amounts shown on Schedule B, Section B, Column E for all partners or shareholders on all pages for which you have entered a check mark in Column D. Enter the total here. See instructions. | <b>3</b> | _____ |

**Totals for nonresident partners or shareholders only (from Schedule B, Section B)**

- |          |   |          |       |
|----------|---|----------|-------|
| <b>4</b> | Enter the total pass-through withholding you reported on all pages of your Schedule B, Section B, Column J for your nonresident individual members. See instructions.   | <b>4</b> | _____ |
| <b>5</b> | Enter the total pass-through withholding you reported on all pages of your Schedule B, Section B, Column J for your nonresident estate members. See instructions.   | <b>5</b> | _____ |
| <b>6</b> | Enter the total pass-through withholding you reported on all pages of your Schedule B, Section B, Column J for your partnership and S corporation members. See instructions.  | <b>6</b> | _____ |
| <b>7</b> | Enter the total pass-through withholding you reported on all pages of your Schedule B, Section B, Column J for your nonresident trust members. See instructions.  | <b>7</b> | _____ |
| <b>8</b> | Enter the total pass-through withholding you reported on all pages of your Schedule B, Section B, Column J for your C corporation members. See instructions.  | <b>8</b> | _____ |
| <b>9</b> | Add Line 4 through Line 8. This is the total pass-through withholding you owe on behalf of all your nonresident partners or shareholders. This amount should match the total amount from Schedule B, Section B, Column J for all nonresident partners or shareholders on all pages. Enter the total here <b>and</b> on Form IL-1065 (Form IL-1065-X), Line 59, or Form IL-1120-ST (Form IL-1120-ST-X), Line 59. See instructions. | <b>9</b> | _____ |

This form is authorized as outlined by the Illinois Income Tax Act. Disclosure of this information is REQUIRED. Failure to provide information could result in a penalty.

► **Attach all pages of Schedule B, Section B behind this page.**



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

Enter your federal employer identification number (FEIN).

**Section B: Members' information (See instructions before completing.)**

<b>A</b> Name and Address	<b>B</b> Partner or Shareholder type	<b>C</b> SSN or FEIN	<b>D</b> Subject to Illinois replacement tax or an ESOP	<b>E</b> Member's distributable amount of base income or loss	<b>F</b> Excluded from pass-through withholding	<b>G</b> Share of Illinois income subject to pass-through withholding	<b>H</b> Pass-through withholding before credits	<b>I</b> Distributable share of credits	<b>J</b> Pass-through withholding amount	<b>K</b> Pass-through entity tax amount
<b>1</b> Name _____ C/O _____ Addr. 1 _____ Addr. 2 _____ City _____ State _____ ZIP _____			<input type="checkbox"/>							
<i>See instructions before completing Columns F through K.</i>										
<b>2</b> Name _____ C/O _____ Addr. 1 _____ Addr. 2 _____ City _____ State _____ ZIP _____			<input type="checkbox"/>							
<b>3</b> Name _____ C/O _____ Addr. 1 _____ Addr. 2 _____ City _____ State _____ ZIP _____			<input type="checkbox"/>							
<b>4</b> Name _____ C/O _____ Addr. 1 _____ Addr. 2 _____ City _____ State _____ ZIP _____			<input type="checkbox"/>							
<b>5</b> Name _____ C/O _____ Addr. 1 _____ Addr. 2 _____ City _____ State _____ ZIP _____			<input type="checkbox"/>							