



Attach to your Form IL-1040
IL Attachment No. 2

Step 1: Provide the following information

1 Your first name and initial Spouse's first name (and last name if different) Your last name

2 a Your Social Security number b Your spouse's Social Security number

3 Were you, or your spouse if "married filing jointly," a full-year resident of Illinois during the tax year?
Yes No STOP If you answered "Yes," you cannot use this form (see instructions).

4 If you, or your spouse if "married filing jointly," were a part-year resident during the tax year, tell us your residency dates for 2007.

a I lived in Illinois from \_\_\_/\_\_\_/07 to \_\_\_/\_\_\_/07 I lived in \_\_\_ from \_\_\_/\_\_\_/07 to \_\_\_/\_\_\_/07
Month Day Year Month Day Year State Month Day Year Month Day Year

b My spouse lived in Illinois from \_\_\_/\_\_\_/07 to \_\_\_/\_\_\_/07, and \_\_\_ from \_\_\_/\_\_\_/07 to \_\_\_/\_\_\_/07
Month Day Year Month Day Year State Month Day Year Month Day Year

5 If you were a resident of any of the states listed below during the tax year, check the appropriate state.
Iowa Kentucky Michigan Wisconsin

6 If you earned income or filed a tax return for the tax year in a state other than those listed above, write the two-letter abbreviation of that state.

Step 2: Complete Form IL-1040

Complete Lines 1 through 12 of your Form IL-1040, Individual Income Tax Return, as if you were a full-year Illinois resident. Then, complete the remainder of this schedule following the instructions for your residency. Attach Schedule NR to your Form IL-1040.

Step 3: Figure the Illinois portion of your federal adjusted gross income

Write the amounts from your federal return in Column A. Before completing Column B, read the Column B instructions.

Table with 3 columns: Line number, Column A Federal Total, and Column B Illinois Portion. Rows include: 7 Wages, salaries, tips, etc.; 8 Taxable interest income; 9 Ordinary dividend income; 10 Taxable refunds, credits, or offsets of state and local income tax; 11 Alimony received; 12 Business income or loss; 13 Capital gain or loss; 14 Other gains or losses; 15 Taxable IRA distributions; 16 Taxable pensions and annuities; 17 Rents, royalties, partnerships, S corporations, estates, and trusts; 18 Farm income or loss; 19 Unemployment compensation and Alaska Permanent Fund dividends; 20 Taxable Social Security benefits; 21 Other income; 22 Add Column B, Lines 7 through 21.

Continue with Step 3 on Page 2

### Step 3: Continued

	Column A Federal Total	Column B Illinois Portion
<b>23</b> Write the Illinois portion of your federal total income from Page 1, Step 3, Line 22.		<b>23</b> _____
<b>24</b> Deduction for educator expenses (federal Form 1040, Line 23; or 1040A, Line 16)	<b>24</b> _____	_____
<b>25</b> Certain business expenses of reservists, performing artists, and fee-based government officials (federal Form 1040, Line 24)	<b>25</b> _____	_____
<b>26</b> Deduction for health savings account (federal Form 1040, Line 25)	<b>26</b> _____	_____
<b>27</b> Moving expenses (federal Form 1040, Line 26)	<b>27</b> _____	_____
<b>28</b> Deduction for one-half of self-employment tax (federal Form 1040, Line 27)	<b>28</b> _____	_____
<b>29</b> Self-employed (SEP), SIMPLE, and qualified plans (federal Form 1040, Line 28)	<b>29</b> _____	_____
<b>30</b> Self-employed health insurance deduction (federal Form 1040, Line 29)	<b>30</b> _____	_____
<b>31</b> Penalty on early withdrawal of savings (federal Form 1040, Line 30)	<b>31</b> _____	_____
<b>32</b> Alimony paid (federal Form 1040, Line 31a)	<b>32</b> _____	_____
<b>33</b> Total IRA deduction (federal Form 1040, Line 32; or 1040A, Line 17)	<b>33</b> _____	_____
<b>34</b> Deduction for student loan interest (federal Form 1040, Line 33; or 1040A, Line 18)	<b>34</b> _____	_____
<b>35</b> Deduction for tuition and fees (federal Form 1040, Line 34; or 1040A, Line 19)	<b>35</b> _____	_____
<b>36</b> Domestic production activities deduction (federal Form 1040, Line 35)	<b>36</b> _____	_____
<b>37</b> Other adjustments (see instructions)	<b>37</b> _____	_____
<b>38</b> Add Column B, Lines 24 through 37. This is the Illinois portion of your federal adjustments to income.		<b>38</b> _____
<b>39</b> Write your adjusted gross income as reported on your federal Form 1040, Line 37; 1040A, Line 21; 1040EZ, Line 4.	<b>39</b> _____	_____
<b>40</b> Subtract Line 38 from Line 23. This is the Illinois portion of your federal adjusted gross income.		<b>40</b> _____

### Step 4: Figure your Illinois additions and subtractions

In Column A, write the total amounts from your Form IL-1040. You must read the instructions for Column B to properly complete this step.

	Column A Form IL-1040 Total	Column B Illinois Portion
<b>41</b> Federally tax-exempt interest income (Form IL-1040, Line 2)	<b>41</b> _____	_____
<b>42</b> Other additions (Form IL-1040, Line 3)	<b>42</b> _____	_____
<b>43</b> Add Column B, Lines 40, 41, and 42. This is the Illinois portion of your total income.		<b>43</b> _____
<b>44</b> Federally taxed Social Security and retirement income (Form IL-1040, Line 5)	<b>44</b> _____	_____
<b>45</b> Military pay earned and included in your adjusted gross income. (Form IL-1040, Line 6)	<b>45</b> _____	_____
<b>46</b> Illinois Income Tax overpayment included on your U.S. 1040, Line 10. (Form IL-1040, Line 7)	<b>46</b> _____	_____
<b>47</b> U.S. Treasury bonds, bills, notes, savings bonds, and U.S. agency interest (Form IL-1040, Line 8)	<b>47</b> _____	_____
<b>48</b> Other subtractions (Form IL-1040, Line 9)	<b>48</b> _____	_____
<b>49</b> Add Column B, Lines 44 through 48. This is the total of your Illinois subtractions.		<b>49</b> _____

### Step 5: Figure your Illinois income and tax

<b>50</b> Subtract Line 49 from Line 43. If Line 49 is larger than Line 43, write zero. This is your <b>Illinois base income</b> . <b>Write this amount on your Form IL-1040, Line 14.</b> _____ → <b>50</b> _____ If Line 50 is zero, skip Lines 51 through 55, and write "0" on Line 56.		
<b>51</b> Write the base income from Form IL-1040, Line 11.	<b>51</b> _____	_____
<b>52</b> Divide Line 50 by Line 51 (carry to three decimal places). Write the appropriate decimal. If Line 50 is greater than Line 51, write 1.000.	<b>52</b> ● _____	_____
<b>53</b> Write your exemption allowance from your Form IL-1040, Line 12.	<b>53</b> _____	_____
<b>54</b> Multiply Line 53 by the decimal on Line 52. This is your Illinois exemption allowance.		<b>54</b> _____
<b>55</b> Subtract Line 54 from Line 50. This is your Illinois net income.		<b>55</b> _____
<b>56</b> Multiply the amount on Line 55 by 3% (.03). This amount may not be less than zero. This is your <b>tax</b> . <b>Write this amount on your Form IL-1040, Line 15.</b> _____ → <b>56</b> _____		

