

General Information Letter: Due date of short period return when tax year is changed as the result of acquisition into consolidated group with a different tax year.

June 25, 1998

Dear:

This is in response to your letter dated June 4, 1998, in which you request a letter ruling. The nature of your letter and the information you have provided require that we respond with a General Information Letter which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 86 Ill. Adm. Code 1200.120(b) and (c), enclosed.

In your letter you have stated the following:

A corporate entity currently registered as a foreign corporation with your Secretary of State was acquired on xxxxx 6, 1998 by another corporation. The entity being acquired operates on a calendar year basis and will file a combined return in Illinois for the period January 1, 1998 - April 6, 1998. The federal law dictates that the company being acquired has until March 15, 1999 to file the short period federal consolidated return for the period from 1/98 - 4/6/98. The following questions arise:

When will the short period tax return be due in to the state?

Does the state follow federal tax guidelines and allow the return to be due on March 15, 1999?

Ruling

Section 505(a)(1) of the Illinois Income Tax Act (the "IITA"; 35 ILCS 5/101 et seq.) states as follows:

Except as provided in paragraph (3), [relating to certain exempt organizations] corporate returns shall be filed on or before the 15th day of the third month following the close of the taxable year, unless the income or loss of a taxpayer is reported for federal purposes on a return with a due date later than the 15th day of the third month following the close of the taxable year, in which case the same due date shall apply to the corresponding Illinois return.

Accordingly, if the corporate entity in your case is not required to file its federal income tax return for the taxable period until March 15, 1999, an Illinois income tax return for the same taxable period will not be due until the same date.

As stated above, this is a general information letter which does not constitute a statement of policy that applies, interprets or prescribes the tax laws, and it is not binding on the Department. If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of the enclosed copy of Section 1200.110(b).

Sincerely,

Brian L. Stocker
Staff Attorney -- Income Tax