



# ICT-1 Instructions

## General Information

### What is invested capital?

Invested capital is the amount equal to the fraction determined under the Illinois Income Tax Act, Sections 301 and 304a, multiplied by either

- the average of the balances at the beginning and end of each taxable period of your total stockholder's equity plus your total long-term debt offset by your investments in and advance to all corporations, as shown on your annual report to the Illinois Commerce Commission for the taxable period; or
- in the case of an electric cooperative, the average of the balances at the beginning and the end of each taxable period of your total equity including memberships, patronage capital, operating margins, non-operating margins, other margins, and other equities as shown on your annual report to the United States Department of Rural Utilities Services.

### Who must file this payment?

You must make quarterly estimated payments of tax on your invested capital (*i.e.*, Invested Capital Tax) if you are in the business of distributing, supplying, furnishing, or selling gas or water. If you are in the business of distributing, supplying, furnishing, or selling electricity and you are an electric cooperative, you must also make quarterly estimated payments of tax on your invested capital.

You must make quarterly estimated payments of tax on the electricity you distribute (*i.e.*, Electricity Distribution Tax) if

- you are in the business of distributing, supplying, furnishing, or selling electricity for use or consumption and not for resale, and
- you are not an electric cooperative.

### Who must complete Worksheet A?

You must complete Worksheet A on the back of Form ICT-1 if

- you are in the business of distributing, supplying, furnishing, or selling **both gas and electricity** for use or consumption and not for resale, and
- you are not an electric cooperative.

Completing this worksheet ensures that you are not paying both the Invested Capital Tax and the Electricity Distribution Tax on your electricity plant operations.

### Who must complete Worksheet B?

You must complete Worksheet B on the back of Form ICT-1 if

- you are in the business of distributing, supplying, furnishing, or selling **electricity** for use or consumption and not for resale, and
- you are not an electric cooperative.

### When are my estimated payments due?

Your estimated payments on Form ICT-1 are due on March 15, June 15, September 15, and December 15. Complete Parts 1, 2, and 3 to figure your quarterly estimated payments.

You must file Form ICT-4, Electricity Distribution and Invested Capital Tax Return, by March 15 following the close of your taxable period.

You owe a **late-filing penalty** if you do not file a processable return by the due date. You will owe a **late-payment penalty** if you do not pay the tax you owe by the date the tax is due or if you are required to make estimated payments and fail to pay the required amount by the payment due date. Interest is calculated on tax from the day after the original due date of your return through the date you pay the tax. In addition, a **bad check penalty** will be assessed if your remittance is not honored by your financial institution. We will bill you for penalties and interest. For more information about penalties and interest, see Publication 103, Uniform Penalties and Interest. To receive a copy of this publication, visit our web site at [tax.illinois.gov](http://tax.illinois.gov) or call us at 1 800 356-6302.

### Where can I get help?

If you have questions or need help completing your form, call our Springfield office weekdays between 8:00 a.m. and 4:30 p.m. at 217 782-6045.

## Step-by-Step Instructions

### Part 1: Figure your estimated Invested Capital Tax

Complete this part if you are

- in the business of distributing, supplying, furnishing, or selling gas;
- in the business of distributing, supplying, furnishing, or selling water;
- in the business of distributing, supplying, furnishing, or selling electricity and are an electric cooperative; or
- any combination of the above.

**Line 1** - In Column A, write the total beginning balance of proprietary capital, stockholders' equity, or total equity for the last calendar year as shown on your balance sheet included in your annual report filed with the Illinois Commerce Commission or the U.S. Department of Rural Utilities Services.

In Column B, write the total ending balance of proprietary capital, stockholders' equity, or total equity for the last calendar year as shown on your balance sheet included in your annual report filed with the Illinois Commerce Commission or the U.S. Department of Rural Utilities Services.

**Line 2** - In Column A, write the total beginning balance of long-term debt for the last calendar year as shown on your balance sheet included in your annual report filed with the Illinois Commerce Commission or the U.S. Department of Rural Utilities Services.

In Column B, write the total ending balance of long-term debt for the last calendar year as shown on your balance sheet included in your annual report filed with the Illinois Commerce Commission or the U.S. Department of Rural Utilities Services.

**Line 4** - In Column A, write the total beginning balance of investments in and advances to all corporations for the last calendar year as shown on your balance sheet included in your annual report filed with the Illinois Commerce Commission or the U.S. Department of Rural Utilities Services.



In Column B, write the total ending balance of investments in and advances to all corporations for the last calendar year as shown on your balance sheet included in your annual report filed with the Illinois Commerce Commission or the U.S. Department of Rural Utilities Services.

**Line 8** - Write the Illinois apportionment factor shown on your Form IL-1120, IL-1120-ST, IL-1065, or Part IV of Schedule UB (if you are part of a unitary group) for the last taxable year (*i.e.*, the taxable year for which you are reporting amounts on Lines 1, 2, and 4).

## Part 2: Figure your estimated Electricity Distribution Tax

Complete this part if

- you are in the business of distributing, supplying, furnishing, or selling electricity for use or consumption and not for resale, and
- you are not an electric cooperative.

### Worksheet A

You must complete this worksheet if

- you are in the business of distributing, supplying, furnishing, or selling **both gas and electricity** for use or consumption and not for resale, and
- you are not an electric cooperative.

**Line a** - In Column 1, write the balance at the beginning of the year of gas plant in service.

In Column 2, write the balance at the end of the year of gas plant in service.

**Line d** - In Column 1, write the balance at the beginning of the year of both gas and electric plant in service.

In Column 2, write the balance at the end of the year of gas and electric plant in service.

### Worksheet B

You must complete this worksheet if

- you are in the business of distributing, supplying, furnishing, or selling **electricity** for use or consumption and not for resale, and
- you are not an electric cooperative.

**Line a** - Write the total number of kilowatt-hours distributed during the last calendar year that was subject to the Electricity Distribution Tax.

**Lines b through i** - Follow the instructions printed for each line.

### ICT-1 Estimated Payment Voucher

**Line 1** - Write the amount from Part 1, Line 13. This is the estimated Invested Capital Tax you owe for each period.

**Line 2** - Write the amount from Part 2, Line 15. This is the estimated Electricity Distribution Tax you owe for each period.

**Line 3** - Add Lines 1 and 2. This is the total estimated tax you owe for each period.

**Line 4** - If you have a credit memorandum you wish to apply toward the tax you owe, write the amount you are using on Line 4. **Please enclose the original credit memorandum.** Do not staple.

**Line 5** - Subtract Line 4 from Line 3, and write the difference on Line 5. This amount is the amount you owe. If you do not pay the tax you owe by the due date, you will owe additional penalty and interest. We will bill you for penalties and interest you owe. For more information, see Publication 103, Uniform Penalties and Interest. To receive a copy of this publication,