

2007 Form IL-1041, Schedule NR error

The specific instructions for the IL-1041, Schedule NR, Step 3, Column A (U.S. Form 1041) state:

Write the amounts exactly as reported on your U.S. Form 1041, unless you are an electing small business trust (ESBT). If you are an ESBT, you should include all items of income and deduction from your subchapter S corporation on Line 6.

This is incorrect. The amount on the IL-1041, Schedule NR, Line 6, Column A should reflect the amount from the U.S. 1041 exactly.

Items specified as ESBT income are reported as an addition modification on Form IL-1041, Schedule NR, Step 4, Line 29. For more information, see Form IL-1041 Instructions for Line 3, which states:

If you are an Electing Small Business Trust (ESBT), write your taxable income. Also, you should include the amounts applicable from this trust in your addition and subtraction modifications. Attach a worksheet explaining each amount.

If you already filed your 2007 return and included the ESBT income on Schedule NR, Step 3, Line 6, you should file a corrected or amended return, reducing the amount on Line 6 by any ESBT income and make sure that the income is reported on Schedule NR, Step 4, Line 29, and Form IL-1041, Line 3.