

## Income/Franchise:

### Illinois DOR Explains Foreign Dividend Reporting Changes for Corporate Filers Under New Law

*Informational Bulletin FY 2021-27*, Ill. Dept. of Rev. (6/21). Referencing recently enacted legislation that amends several Illinois provisions related to foreign dividends for tax years ending on or after June 30, 2021 [see Public Act 102-0016 (S.B. 2017 (2021)), and previously issued Multistate Tax Alert for more details on this legislation], the Illinois Department of Revenue (Department) summarizes the changes for Illinois corporate filers as decoupling Illinois from:

**URL:** <https://www2.illinois.gov/rev/research/publications/bulletins/Documents/2021/FY%202021-27.pdf>

**URL:** <https://www.ilga.gov/legislation/publicacts/fulltext.asp?Name=102-0016&GA=102>

**URL:** <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-mta-illinois-fiscal-year-2022-state-budget-enacted.pdf>

- The federal 100% foreign dividends received deduction,
- The federal deduction for global intangible low-taxed income (GILTI), and
- The deduction under Internal Revenue Code (IRC) section 243(e) for foreign dividends treated as domestic dividends.

The Department also explains that Illinois law now disallows a subtraction modification for foreign dividends eligible for deduction federally under IRC section 245(a), and for IRC section 1248 gain. According to the Department, these various new changes are reflected in revised instructions for Illinois “Schedule M, Other Additions and Subtractions (for businesses)” and “Schedule J, Foreign Dividends.” Please contact us with any questions.

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