

Income/Franchise:

Illinois: Proposed Apportionment Rule Changes Align with MTC Model Rule on Throwback/Throwout

Proposed Amended 86 Ill. Adm. Code 100.3200, Ill. Dept. of Rev. (4/15/22). The Illinois Department of Revenue has proposed administrative rule changes to “remove the stipulation regarding treaties with foreign countries in determining whether a taxpayer is subject to tax” for ascertaining whether it is taxable in another country for Illinois “throwback” or “throwout” purposes. Currently, the rule contains a restriction that the taxpayer will *not* be considered subject to tax for such purposes if a treaty exempts its activities from taxation. To better align the Illinois rule with the Multistate Tax Commission’s model rule, the proposal provides:

URL: https://www.ilsos.gov/departments/index/register/volume46/register_volume46_issue_16.pdf

“For taxable years beginning on or after January 1, 2021, if jurisdiction is otherwise present, that foreign country or political subdivision is not considered as being without jurisdiction by reason of the provisions of a treaty between that foreign country or political subdivision and the United States.”

Comments on this proposal are due no later than 45 days after its publication. Please contact us with any questions.

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