

General Information Letter: Taxpayers who receive an extension of time to file federal income tax returns are automatically allowed the same extension of time to file their corresponding Illinois income tax returns.

April 29, 2008

Dear Mr. Burns:

This is in response to your letter dated January 16, 2008 in which you request, on behalf of your client COMPANY1, L.P., an extension of the time for filing Form IL-1065. The nature of your letter and the information you have provided requires that we respond with a General Information Letter (GIL). A GIL 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) at www.Iltax.com.

Your letter states as follows:

This is a request for a return due date later than the time when such return would otherwise be due. COMPANY1, L.P. ("COMPANY1") is a publicly traded partnership, which consists of a general partner and many limited partners (the investing public) who hold units of interest in COMPANY1. COMPANY1 is required to file Form 1065 and include a state schedule for each unit holder reporting his or her tax information. Brokerage companies trade units of interest in COMPANY1 throughout the year.

During the period January 1, 2007 to May 7, 2007, COMPANY1 consisted of approximately 72,000 limited partners. Based upon the public trading of its units of interest, COMPANY1 can identify its limited partners only at the end of each calendar year through information provided by the brokerage companies that traded these interests. Typically, brokerage companies provide identifying partnership unit information to COMPANY1 4-6 weeks after the close of the calendar year. Upon receiving the information from the brokerage companies, COMPANY1 confirms the accuracy of this data through correspondence with its approximately 72,000 limited partners.

In prior years, COMPANY1 has generally been able to complete this verification process with its investing public on or about July 31st after the close of the calendar year. The time required to gather the necessary information prompted COMPANY1 to request extensions of time to file its Form 1065 for its taxable years 2005 and 2006.

On May 7, 2007, certain events occurred that caused a technical termination of COMPANY2, LP ("COMPANY2"), which owned approximately 48 percent of the total ownership units in the Taxpayer. The technical termination of COMPANY2, along with normal trading activity in the Taxpayer, resulted in the sale or exchange of more than 50 percent of COMPANY1's capital and profits interest within a 12-month period, resulting in (1) a technical termination of COMPANY1 and (2) a short taxable year of January 1, 2007 to May 7, 2007.

The Taxpayer is requesting an extension to file Form 1065 until October 15, 2008 for the short period ending May 7, 2007. Enclosed is the granted extension that the Taxpayer requested to file Federal Form 1065 from the Internal Revenue Service for the short period return ending May 7, 2007.

RULING

Department of Revenue Regulations Section 100.5000(a)(4) provides that the income tax return of a partnership is required to be filed on or before the 15th day of the fourth month following the close of the partnership's taxable year. However, Department of Revenue Regulations Section 100.5020(b) provides generally for an automatic 6-month extension to file any Illinois income tax return except Form IL-941. No application is required to be filed in order to obtain the automatic 6-month extension.

In addition, Department of Revenue Regulations Section 100.5020(c) provides:

Additional Extensions Beyond the Automatic Extension Period. The Department will approve an extension of more than 6 months (7 months for corporations) if an extension of more than 6 months is granted by the Internal Revenue Service. For corporations the additional Illinois extension will be one month beyond any approved federal extension of longer than 6 months. For all other taxpayers, the additional extension will be for the length of time approved by the Internal Revenue Service. All taxpayers must attach a copy of the approved federal extension to their return when it is filed.

Under this provision, the Form IL-1065 of COMPANY1 for its short taxable year ending May 7, 2007 is due October 15, 2008, the extended due date approved by the Internal Revenue Service. The Taxpayer must attach a copy of the federal extension to its short year return. Note, as indicated under Department of Revenue Regulations Section 100.5020(a), that an extension of the time in which to file is not an extension of the due date required for payment.

As stated above, this is a GIL. A GIL 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 have further questions regarding this GIL, please call (217) 782-7055. If you have additional questions regarding Illinois income tax laws, please visit the Department's web site at www.Iltax.com.

Sincerely,

Brian L. Stocker
Associate Counsel (Income Tax)