

## Income/Franchise:

### Illinois DOR Adopts Rule Amendments Reflecting New Law Pertaining to Investment Partnerships

*New 86 Ill. Adm. Code 100.7034 and Amended 86 Ill. Adm. Code 100.9730*, Ill. Dept. of Rev. (7/26/24). The Illinois Department of Revenue (Department) adopted a new and an amended rule reflecting legislation enacted in 2023 [see S.B. 1963 (2023), and *State Tax Matters*, Issue 2023-24, for more details on this legislation] that modifies the definition of investment partnerships, and provides that for taxable years ending on or after December 31, 2023, defined “investment partnerships” must withhold Illinois income and replacement taxes from certain nonresident partners based on the partner’s share of distributable income from in-state sources. These rule changes are effective as of July 11, 2024.

**URL:** [https://www.ilsos.gov/departments/index/register/volume48/register\\_volume48\\_30.pdf](https://www.ilsos.gov/departments/index/register/volume48/register_volume48_30.pdf)

**URL:** <https://www.ilga.gov/legislation/billstatus.asp?DocNum=1963&GAID=17&GA=103&DocTypeID=SB&LegID=146825&SessionID=112>

**URL:** [https://dhub.deloitte.com/Newsletters/Tax/2023/STM/230616\\_2.html](https://dhub.deloitte.com/Newsletters/Tax/2023/STM/230616_2.html)

In questions and answers format, the Department also recently posted “What is an investment partnership?” guidance – which addresses some of the same topics. Please contact us with any questions.

**URL:** <https://tax.illinois.gov/questionsandanswers/answer.686.html>

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