

## Income/Franchise:

### Illinois: Budget Bill Includes Finnigan Apportionment, Removal of Some Intercompany Expense Addback Exceptions, §163(j) Changes, and Partial GILTI Taxation

*H.B. 2755 (Public Act 104-0006)*, signed by gov. 6/16/25. Recently enacted budget legislation includes many significant Illinois tax law changes, including provisions that:

**URL:**  
<https://www.ilga.gov/legislation/BillStatus.asp?DocNum=2755&GAID=18&DocTypeID=HB&LegId=160791&SessionID=114&GA=104>

1. Establish several tax amnesty programs involving different Illinois taxes, fees and circumstances;
2. Shift from the “Joyce” to “Finnigan” method for Illinois combined reporting apportionment purposes;
3. Remove certain exceptions under Illinois’s intercompany interest and intangible expense “addback” statute;
4. Partially incorporate global intangible low-taxed income (GILTI) under Internal Revenue Code (IRC) section 951A in the Illinois tax base;
5. Establish new rules for taxpayers subject to the federal interest deduction limitation under IRC section 163(j); and
6. Modify the sourcing rules for gains from the sale of certain pass-through entity interests.

See recently issued Multistate Tax Alert for more details on these and several other tax-related provisions in the legislation, and please contact us with any questions.

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