

## Income/Franchise:

### Illinois DOR Denies Alternative Apportionment Request as Taxpayer Failed to Show Unfair Representation of In-State Activity

*General Information Letter IT 25-0003-GIL*, Ill. Dept. of Rev. (3/26/25). Responding to a taxpayer petitioning for use of alternative apportionment, the Illinois Department of Revenue (Department) denied its request, holding among other reasons, that the taxpayer failed to show that the standard statutory apportionment formula does not fairly represent the extent of its in-state business activities. In doing so, the Department explained that merely stating that separate accounting for the taxpayer's Illinois income more accurately reflected its Illinois market activity does not meet the regulatory requirement for alternative apportionment. While not making an actual determination on the issue, the Department also commented that if the separate properties described in the taxpayer's petition do in fact constitute separate rather than unitary businesses, then it would not be necessary to file an alternative apportionment petition because the business income of each such trade or business would be apportioned separately under Illinois law. Please contact us with any questions.

**URL:**  
<https://tax.illinois.gov/content/dam/soi/en/web/tax/research/legalinformation/lett rulings/it/documents/2025/it25-0003-gil.pdf>

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