Kilpatrick

Insights: Publications

Long Time in the Making: Illinois (Finally) Proposes Draft Regulations to Clarify the Reasonable Compensation Deduction

National Law Review Blog

March 16, 2017

Written by **Samantha K. Breslow**

The Illinois Income Tax Act ("Act") allows a partnership (or an LLC taxed as a partnership) to deduct from its base income: 1) any income of the partnership which constitutes "personal services income," as defined in Section 1348(b)(1) of the Internal Revenue Code, or 2) a "reasonable allowance for compensation" paid or accrued for services rendered by the partners to the partnership, whichever is greater. 35 ILCS 5/203(d)(2)(H).

Related People

Samantha K. Breslow

t 312.606.3206

sbreslow@ktslaw.com