

Insights: Publications

Commons Problems and Simple Solutions

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This series of articles is intended to provide a deep dive into the Illinois State Franchise Tax (the “Franchise Tax”) and should be read sequentially to be best understood. The [first article](#) covered the businesses and entities required to pay the Franchise Tax and the mechanics of the Franchise Tax system. The [second](#) defined the essential terms to understand the Franchise Tax and its calculation and covered some significant differences between the Franchise Tax and the state Income and Corporate Income Tax. The [third](#) provided specific resources and examples on correctly calculating your Allocation Factor for the Franchise Tax. For an overview of the Franchise Tax generally, please see our prior article on the topic [here](#).

At Kilpatrick, we see five common problems with franchise tax filings. These issues relate to improper Allocation Factor calculation, increases in Paid-In Capital, timely reporting to the Illinois Secretary of State, and so-called “push-down accounting” being used on reports following successful mergers and acquisitions

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