**Section 100.3300 Allocation and Apportionment of Base Income (IITA Section 304)**

a) Residents. All items of income or deduction which are taken into account in the computation of base income for the taxable year by a resident of Illinois are allocated to Illinois under IITA Section 301(a) and enter into the computation of such person's net income under IITA Section 202. For the definition of a resident see IITA Section 1501(a)(20) and Section 100.3020 of this Part.

b) Other persons

1) In general. In order to compute net income under IITA Section 202 of persons other than residents of Illinois, it is necessary to determine that portion of each item of income and deduction taken into account in the computation of base income for the taxable year which is allocable to Illinois. In general, the allocation of items of compensation and of items of deduction directly allocable thereto is governed by IITA Section 302 (see Section 100.3120 of this Part). The allocation of certain specified items of income, to the extent such items constitute nonbusiness income, together with items of deduction directly allocable thereto, is governed by IITA Section 303 (see Section 100.3220 of this Part). The allocation and apportionment of business income is governed by IITA Section 304 (see Sections 100.3310, 100.3350, 100.3360 and 100.3370 of this Part.) An item of income or deduction specifically allocated or apportioned pursuant to one of the foregoing sections is allocated to Illinois and enters into the computation of net income of a person other than a resident only to the extent provided by such allocation or apportionment section. All other items of income and deductions are allocated under IITA Section 301(b)(2).

2) Unspecified items. An item of income or deduction which is taken into account in the computation of base income for the taxable year by a person other than a resident of Illinois, and which is not otherwise specifically allocated or apportioned, in the case of an individual, trust or estate, is not allocated to Illinois. In the case of a corporation, such items are allocated to Illinois if the corporation has its commercial domicile in Illinois at the time such item is paid, incurred or accrued. For the definition of commercial domicile, see IITA Section 1501(a)(2) and Section 100.3210 of this Part. Examples of items of income which (to the extent such items constitute nonbusiness income) are not otherwise specifically allocated or apportioned are interest, dividends, items of income taken into account under the provisions of 26 USC 401 through 425, benefit payments received by a beneficiary of a supplemental unemployment benefit trust which is referred to in 26 USC 501(c)(17) and royalties from intangible personal property (other than patent and copyright royalties).

(Source: Amended at 24 Ill. Reg. 10593, effective July 7, 2000)