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General Information

What is the purpose of this booklet?

This booklet answers general questions about withholding Illinois Income Tax. It also

- explains how to withhold, pay, and report Illinois Income Tax;
- explains when to file amended returns; and
- contains copies of forms and returns that you will use as an Illinois withholding agent.

Who is required to withhold Illinois Income Tax and register as an Illinois withholding agent?

Generally, you must withhold Illinois Income Tax and register as an Illinois withholding agent if you are an employer who

- pays compensation (*i.e.*, wages and salaries) in Illinois, or
- pays gambling or lottery winnings in Illinois, or
- has a voluntary withholding agreement with your employee.

Note: We do not require a separate agreement for payments covered by a federal voluntary withholding agreement.

Who is an employer?

You are an employer if you are any of the following:

- A person or organization who has an office or transacts business in Illinois for whom a worker performs a service as an employee and you are the person who is liable to withhold and pay both federal income and FICA taxes to the Internal Revenue Service (IRS)
- A person or organization who has an office or transacts business in Illinois and who has control of the payment of wages for employee services, if the employer does not have control of the payment of wages
- A payer who has an office or transacts business in Illinois and who makes payments from which federal income taxes are withheld (*e.g.*, gambling or lottery winnings)

See IRS Publication 15 Circular E, Employer's Tax Guide, for more information.

Who is an employee?

An employee is either

- a person who performs services subject to the legal control and direction of an employer, or
- an Illinois resident who receives payments on which federal income tax is withheld by his or her employer.

Note: An individual who has a proprietary interest in a business that he or she can legally sell, give away, or operate without hindrance of any other party is self-employed. These individuals are not subject to tax withholding requirements.

See IRS Publication 15 Circular E, Employer's Tax Guide, or Publication 937, Employment Taxes, for more information.

How do I register as an Illinois withholding agent?

To register, you must complete **Form NUC-1**, Illinois Business Registration. Tell us the amount of tax you expect to withhold each month and your federal employer identification number (FEIN). We use your FEIN to identify you as an Illinois withholding agent. If you have applied for but not received your permanent FEIN from the IRS, we will assign you a temporary FEIN. You **must** tell us your permanent FEIN when you receive it by calling our Central Registration Division at 217 785-3707.

Note: If you have a household employee (*i.e.*, you control how the work is performed by a person who does domestic work around your home — for example, a babysitter, caretaker, cleaning person, driver, health aide, housekeeper, nanny, private nurse, or yard worker) and you want to file only one return each year, complete **Form NUC-1-H**, Request for Household Employer's Information.

To order a copy of Form NUC-1, see **"Where to Get Forms."** Form NUC-1-H is located on Page 29 of this booklet.

What happens after I register?

When we receive your properly completed and signed Form NUC-1, we will determine your filing status (*i.e.*, how often you are required to file returns and make payments). Your filing status is based on the amount of tax you told us you expected to withhold. We will send you a personalized withholding "coupon" booklet that contains the appropriate number of returns and payment forms for your filing status. Use the forms and returns in the coupon booklet to report and pay your taxes.

Note: You may copy the forms in this booklet if you have not received your personalized coupon booklet or if you need additional forms.

If you register to report and pay the tax for a household employee one time each year, we will send you **Booklet IL-700-H**, Illinois Household Employer's Tax Guide and Tables. Use Form IL-700-H to report and pay the tax that you withhold.

What if the amount I withhold is more than I estimated on my Form NUC-1?

If the amount you actually withhold is greater than you estimated when you registered as a withholding agent, your filing status may change. If so, you must file returns or make payments more frequently. See **"Returns, Forms, and Filing Requirements"** for more information. If your filing status changes, you will need more forms. Call our Central Registration Division at 217 785-3707 to order a new coupon booklet.

What should I do if I move, change my business name, or sell or transfer my business?

If you move your business location or change your business name without changing owners, or you want us to mail all withholding tax information to a special address (*e.g.*, a payroll provider), complete **Form NUC-16**, Illinois Business Name and Address Change Form, located in your personalized withholding coupon booklet. Send this form to us and use the mailing label provided in your coupon booklet. **Continue to use the forms provided in your personalized coupon booklet.**

If you sell or transfer your business, you must file **NUC-542-A**, Notice of Sale or Purchase of Business Assets. Also, you **must** send us final reports on Form IL-941, Illinois Quarterly Withholding Income Tax Return, and Form IL-W-3, Illinois Annual Withholding Income Tax Return. See **"Returns, Forms, and Filing Requirements"** for more information.

What is an Illinois withholding exemption?

An Illinois withholding exemption is the portion of your payments on which you do not withhold Illinois Income Tax. This amount is calculated based on the number of allowances claimed on **Form IL-W-4**, Employee's Illinois Withholding Allowance Certificate, or **Form IL-W-4-G**, Gambling Withholding Exemption Certificate.

How do I report and pay unemployment taxes?

The Illinois Department of Employment Security, not the Illinois Department of Revenue, is responsible for collecting unemployment taxes. Contact their office for more information or to report a newly hired employee. Write to

ILLINOIS DEPARTMENT OF EMPLOYMENT SECURITY
REVENUE DIVISION
401 SOUTH STATE STREET
CHICAGO ILLINOIS 60605

or call

1 800 247-4984 or 312 793-4880.

What else do I need to know as a withholding agent?

As a withholding agent, you are liable for the taxes that you are required to withhold. Because we are required to collect taxes (and issue assessments when these taxes are not paid), Illinois law states that the amounts required to be withheld and paid to us (and any penalties and interest) are considered to be a tax on **you**.

Withholding Illinois Income Tax for My Employees

When must I withhold Illinois Income Tax from my employee's compensation?

Generally, you must withhold Illinois Income Tax when

- you withhold federal income tax, or
- you pay compensation that is paid in Illinois, or
- you and your employee have a voluntary withholding agreement.

Note: If requested by a payee, you can enter into a voluntary agreement and withhold Illinois Income Tax on individual retirement accounts (IRAs) or pensions.

Although you may meet these requirements, there are some situations that do not require you to withhold Illinois Income Tax. See **“When am I not required to withhold Illinois Income Tax?”** in this section for more information.

When is compensation paid in Illinois?

Compensation is paid in Illinois when the employee's services are “localized” in Illinois. This statement applies to all individuals except qualifying residents of Iowa, Kentucky, Michigan, and Wisconsin. If any of the following conditions are met, compensation is paid in Illinois.

Localization tests →

- The employee's service is localized in Illinois because all the service is performed in Illinois.
- Some of the employee's services are performed outside Illinois, but the services outside Illinois are **incidental** to the service performed inside Illinois. Incidental services are those that support the employee's primary service, are temporary or transitory, or are isolated transactions.
- The employee's service is **not** localized in any state, but
 - some of the service is performed in Illinois **and**
 - either the base of operations (*i.e.*, the place from which the employee works) is in Illinois, or, if there is no base of operations, the place from which the service is directed or controlled is in Illinois.
- The employee's service is **not** localized in any state, but
 - some of the service is performed in Illinois,
 - the base of operations or the place from which the service is directed or controlled is **not** in any state in which some part of the service is performed, **and**
 - the employee is an Illinois resident.
- A nonresident performs personal services (under a personal service contract) at a sporting event that takes place entirely in Illinois, providing the team is a resident of another state that imposes a comparable tax liability on residents of Illinois.

Limited exceptions →

There are two limited exceptions when you are **not** required to withhold Illinois Income Tax if a localization test described above is met. These exceptions are described below.

Railroad employees or motor carrier employees →

- **The employee works for an employer under the jurisdiction of the Interstate Commerce Commission and performs regularly assigned duties in more than one state.** Although a localization test may be met, do **not** withhold Illinois Income Tax unless the employee is an Illinois resident.

Air carrier employees →

- **The employee works on an aircraft for an air carrier and performs regularly assigned duties in more than one state.** Although a localization test may be met, do **not** withhold Illinois Income Tax unless the employee is an Illinois resident, or, if the employee is not an Illinois resident, the employee earns more than 50 percent of the compensation in Illinois (Illinois flight miles versus all flight miles).

Examples of → compensation paid in Illinois

Example:

- 1** Your company, headquartered in Georgia, employs an Indiana resident to make sales for your company. You control your employee's services, all of which are performed in Illinois, from your Georgia office. Compensation is paid in Illinois because all of your employee's services are performed in Illinois.
- 2** Your company, headquartered in Maryland, employs a Missouri resident to make routine service calls. The office from which the employee works and receives instruction (*i.e.*, the base of operations) is in Illinois. About 95 percent of your employee's customers are in Missouri and 5 percent are in Illinois. Compensation is paid in Illinois because the base of operations is in Illinois *and* significant services are performed in both states.
Note: "Significant" does not equal a percentage. In this example, although only 5 percent of the total customers are in Illinois, the service performed in Illinois is separate from, and therefore *not* incidental to, the service performed in Missouri.
- 3** Your company, headquartered in Ohio, employs an Illinois resident. There is no base of operations. The employee is controlled from your Ohio headquarters. Because services are performed in Illinois, Iowa, and Indiana, the services are not localized in only one state. Compensation is paid in Illinois because your employee is an Illinois resident, some of the service is performed in Illinois, and no service is performed in Ohio.
- 4** Your airline company employs a Missouri resident to fly to various destinations in the United States. Your employee reports to and flies out of a terminal in Illinois. According to your records, 58 percent of your employee's compensation (flight time in Illinois versus flight time to other destinations) is earned in Illinois. Therefore, you withhold Illinois Income Tax because more than 50 percent of your employee's compensation was earned in Illinois.

See Section 100.7010 of the 86 Illinois Administrative Code for more information.

When am I **not** required to withhold Illinois Income Tax?

You are **not** required to withhold Illinois Income Tax from

- compensation paid to residents of **Iowa, Kentucky, Michigan, and Wisconsin** (due to reciprocal agreements with each of these states);
- qualifying payments made for personal service contracts or prizes awarded from contests conducted in Illinois (Sections 1405.2 and 1405.3 of the Illinois Income Tax Act);
- compensation that is subject to withholding by another state because the localization tests described in this section apply as if they were in effect in the other state (compensation is not paid in Illinois);
- compensation that will not be included in the recipient's base income (*e.g.*, annuity payments received from qualified employee benefit plans);
- payments subject to withholding under Internal Revenue Code, Sections 3405 or 3406;
- compensation paid to an employee whose compensation is exempt from federal withholding requirements (*e.g.*, "wages" paid to certain types of household employees and ministers or members of a religious order);
- compensation paid by an employer under the jurisdiction of the Interstate Commerce Commission (rail and motor carriers) to a nonresident employee who performs regularly assigned duties in more than one state, including Illinois;
- nonresident employees who work on aircraft for an air carrier, perform regularly assigned duties in more than one state, and do not earn more than 50 percent of the compensation in Illinois (Illinois flight miles versus all flight miles).
- compensation paid to master or seaman on a vessel in the foreign, coastwise, inter-coastal, interstate, or noncontiguous trade, or an individual employed on a fishing vessel or any fish processing vessel. (Illinois will tax income earned by Illinois residents, however).

Examples when withholding is not required

Example:

- 1** Your company, headquartered in Missouri, hires an Illinois resident to install computer networks for your Missouri-based clients. Occasionally, your employee travels to your clients' branch offices in Illinois to complete network installation. Compensation is not paid in Illinois because your employee's services are localized in Missouri and the services performed in Illinois are *incidental* to the services performed in Missouri. Therefore, you do not withhold Illinois Income Tax. (See the note below.)
- 2** Your company's main office is in Indiana. You employ an Illinois resident to honor copy machine routine maintenance contracts. Your employee works out of the main office and has clients in both Illinois and Indiana. You are not required to withhold Illinois Income Tax because your employee's base of operations is in Indiana and some of the service is performed in Indiana. (See the note below.)

Note: Although in these two examples you are not required to withhold Illinois Income Tax, your employee's income **will** be taxed by Illinois. Therefore, your employee will file returns in both states. We will give your employee a credit for taxes paid to the other state. If the amount of tax paid to the other state does not cover the Illinois tax liability, your employee may need to make estimated income tax payments to Illinois.

Am I required to withhold income tax for another state if my employee is not an Illinois resident?

If your employee is based in Illinois, works in Illinois, and is a resident of Iowa, Kentucky, Michigan, or Wisconsin, you may, but are not required by Illinois law, withhold income tax for that state if your employee requests. Contact your employee's state of residence for information about registering as a withholding agent and withholding tax payment requirements.

If your employee is based in Illinois and works in Illinois and another state with whom Illinois does not have a reciprocal agreement, you must withhold Illinois Income Tax on all compensation that is paid in Illinois. If compensation is not paid in Illinois, you should contact the state where compensation is paid to determine if you are required to register as a withholding agent.

What forms must my employee complete?

Form IL-W-4

Your employee must complete **Form IL-W-4**, Employee's Illinois Withholding Allowance Certificate. Form IL-W-4 is your record of the number of allowances that your employee is entitled to claim. You withhold Illinois Income Tax from your employee's wages based, in part, on the number of allowances claimed on Form IL-W-4.

Note: Senior citizens with interest income are required to make estimated tax payments if the tax owed for the year is greater than \$250. Voluntary withholding agreements are allowed, however. The senior citizen must complete Form IL-W-4.

If an employee claimed exemption from withholding on federal Form W-4, U.S. Employee's Withholding Allowance Certificate, you still may be required to withhold Illinois Income Tax.

Example:

Sam is single, does not have any dependents, and cannot be claimed on another person's tax return. He works for you part-time. Sam expects to earn \$4,000 this year.

Last year Sam earned \$3,000, did not have a federal tax liability, and received a total refund of the federal income tax that was withheld from his pay. Sam does not expect to owe any federal income tax this year. Therefore, he claims exemption from withholding on his federal Form W-4 for this year.

Although Sam may not owe federal income tax, he will owe Illinois Income Tax because he is entitled to only one withholding allowance. The exemption for this allowance is less than his total pay. Therefore, you must withhold Illinois Income Tax from Sam's pay.

Before **December 1** of each year, have your employee review his or her Form IL-W-4. If your employee's Illinois withholding allowances change, the employee must complete a new Form IL-W-4.

Form IL-W-5 → Form IL-W-5, Certificate of Residence in Illinois, is completed by an Illinois resident (not your employee) with whom you have a written contract who

- is paid for performing personal services (e.g., artistic or musical performances, or professional consulting services) and the income earned is taxable under Section 1405.2 of the Illinois Income Tax Act, or
- receives payment for prizes and awards from a contest conducted entirely in Illinois (e.g., game shows, amateur talent contests, dog or horse shows) and the income earned is taxable under Section 1405.3 of the Illinois Income Tax Act.

You are not required to provide annual information reports of the amounts you pay in either of these situations. You must, however, keep this information in your records and provide it to us if we request.

Note: Instead of completing Form IL-W-5, the recipient may file a certificate of in-state residence on any invoice, billing statement, or contest application submitted to the withholding agent.

Form IL-W-5-NR → Illinois has reciprocal agreements with Iowa, Kentucky, Michigan, and Wisconsin. To be exempt from Illinois Income Tax withholding requirements, residents of these states must complete **Form IL-W-5-NR**, Employee's Statement of Nonresidence in Illinois. If your employee does not complete this form, you **must** withhold Illinois Income Tax. If your employee moves out of the state of residence designated on the original Form IL-W-5-NR, the employee must notify you of the change within 10 days and file a new Form IL-W-5-NR, if applicable.

What form must I give my employee?

**Form W-2, →
Form 1099-R**

Before February 1 of each year, you must give your employee three copies of federal **Form W-2**, Wage and Tax Statement, or **Form 1099-R**, Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contract, etc. **Do not send these forms to us.** Instead, keep them in your records for three years and send them to us if we request.

If your employee permanently discontinues employment before the close of the calendar year or you terminate a federal voluntary withholding agreement, you must give the employee (or other person receiving payments subject to withholding) a completed federal Form W-2 within 30 days of the last payment on which withholding was required.

Note: You must keep undeliverable Forms W-2 or 1099-R for at least three years after the date you are required to give the form to the employee.

Withholding Tax for Lottery or Gambling Winnings

When must I withhold Illinois Income Tax from lottery winnings?

You must withhold Illinois Income Tax each time you make a single payment of Illinois lottery winnings over \$1,000. It does not matter that several individuals may jointly hold the winning ticket and each person's "share" is less than \$1,000. You must withhold Illinois Income Tax for both residents and nonresidents.

When must I withhold Illinois Income Tax from gambling winnings?

You must withhold Illinois Income Tax from gambling winnings you pay an Illinois resident any time the winnings are subject to federal income tax withholding requirements. You are not required to withhold Illinois Income Tax for nonresidents.

In general, winnings that are currently subject to federal income tax withholding include proceeds of more than \$5,000 in a single payment from

- wagering transactions (if these proceeds are at least 300 times greater than the amount of the wager);
- state-conducted lotteries (if the wager is placed with the state agency conducting these lotteries, or with its authorized employees or agents); or
- proceeds that are 300 times greater than an amount wagered in a sweepstakes, wagering pool, lottery (other than a state-conducted lottery), or wagering transaction in a pari-mutual pool with respect to horse races, dog races, or jai alai.

See 26 USCA 3402(q) of the Internal Revenue Code and the IRS' instructions for federal Forms 5754 and W-2G for more information.

Note: Bingo, keno, and slot machine winnings are **not** subject to federal withholding requirements. However, winners will be taxed on these types of gambling winnings.

What forms must a winner complete?

Form IL-5754 →

Form IL-W-4-G →

Each time you pay lottery or gambling winnings over \$1,000 in a single payment, the winner must complete **Form IL-5754**, Statement by Person Receiving Gambling Winnings. This form helps you identify which winners are Illinois residents. Keep this form in your records to show who received winnings and to whom the winnings are taxable. You will use this information when you prepare federal Form W-2G.

Illinois residents must complete **Form IL-W-4-G**, Gambling Withholding Exemption Certificate, to claim exemption from withholding of lottery winnings over \$5,000 or gambling winnings that are subject to federal income tax withholding requirements. The winner must give you this form before you pay the winnings. If the winner does not give you this form, you must withhold the full rate of tax from the payment (*i.e.*, do not allow any exemptions).

What forms must I give each recipient?

Form W-2G →

By February 1 of each year, you must give each recipient two copies of federal **Form W-2G**. **Do not** send this form to us.

Note: You must keep undeliverable Forms W-2G for at least three years after the date you are required to give the form to the recipient.

Table - Forms Completed and Given to Withholding Agents

Forms Completed by Employees and Lottery or Gambling Winners		
If	use	and withhold
you withhold federal income tax for an employee or are otherwise required to withhold Illinois Income Tax,	Form IL-W-4	based on the number of allowances claimed.
you enter into a voluntary withholding agreement with your employee,	Form IL-W-4	based on the number of allowances claimed.
you pay an Illinois resident for personal services, and the income is taxable under Section 1405.2 of the Illinois Income Tax Act,	Form IL-W-5	zero.
you pay an Illinois resident prizes or awards from a contest entirely in Illinois and the income earned is taxable under Section 1405.3 of the Illinois Income Tax Act,	Form IL-W-5	zero.
your employee is a resident of Iowa, Kentucky, Michigan, or Wisconsin,	Form IL-W-5-NR	zero.
you pay lottery winnings over \$1,000 but less than \$5,000 to an Illinois resident or nonresident,	Form IL-5754	the full rate of tax (no exemptions).
you pay lottery winnings over \$5,000 to an Illinois resident,	Form IL-5754 and Form IL-W-4-G	based on the number of exemptions claimed on Form IL-W-4-G. If you are not given Form IL-W-4-G, withhold the full rate of tax.
you pay lottery winnings over \$5,000 to a nonresident,	Form IL-5754	the full rate of tax (no exemptions).
you pay gambling winnings over \$1,000 but less than \$5,000 to an Illinois resident,	Form IL-5754	the full rate of tax (no exemptions).
you pay gambling winnings over \$5,000 to an Illinois resident,	Form IL-5754 and Form IL-W-4-G	based on the number of exemptions claimed on Form IL-W-4-G. If you are not given Form IL-W-4-G, withhold the full rate of tax.
you pay gambling winnings over \$1,000 to a nonresident	Form IL-5754	zero.
You must keep a copy of these forms in your records. By February 1 of each year, you must give your employee three copies of federal Form W-2, Wage and Tax Statement. If you withheld from gambling winnings, you must give each recipient two copies of federal Form W-2G.		

How to Figure the Amount to Withhold

How much do I withhold?

Generally, the rate for withholding Illinois Income Tax is 3 percent.

Wages →

(wages - exemptions) x 3 percent

For **wages and other compensation**, subtract any exemptions you calculate based on the number of allowances claimed on Form IL-W-4 from the wages or other compensation paid. Multiply the result by 3 percent. Do not withhold Illinois Income Tax from payments to residents of states with whom Illinois has a reciprocal agreement if they complete and give you Form IL-W-5-NR.

Gambling winnings →

(winnings - exemptions) x 3 percent

For **gambling** winnings subject to federal income tax withholding requirements, subtract any exempt amount claimed by Illinois residents on Form IL-W-4-G from the amount of the winnings. Multiply the result by 3 percent. You do not have to withhold Illinois Income Tax for residents of other states.

Illinois lottery winnings →

Resident, \$1,000 - \$4,999:
3 percent

Resident, \$5,000 or more:
(winnings - exemptions) x 3 percent

Nonresident, \$1,000 or more:
winnings x 3 percent

For **lottery** winnings, if any person listed on Form IL-5754 is a

- **resident** who wins over \$1,000 but less than \$5,000, you must withhold 3 percent from each person's winnings. Exemptions are not allowed.
- **resident** with winnings of \$5,000 or more, subtract any exemptions claimed on Form IL-W-4-G, Gambling Withholding Exemption Certificate, from the winnings. Multiply the result by 3 percent.
- **nonresident**, withhold 3 percent from each person's winnings over \$1,000. Exemptions are not allowed.

See Section 710 of the Illinois Income Tax Act for more information.

Other payments →

Payments x 3 percent

The rate of withholding tax on **other payments** (excluding qualifying personal service contracts or prizes awarded from qualifying Illinois contests) subject to Illinois Income Tax is 3 percent. Exemptions are not allowed.

How do I calculate the amount to withhold?

To calculate the amount to withhold, you may use either the direct percentage method or the automated payroll method. If you prefer to use tax tables, please see Booklet IL-700-T, Illinois Withholding Tax Tables. To order this publication see **"Where to Get Forms."**

Use the formula below to calculate the amount to withhold using the direct percentage method.

$$\text{Wages} - \text{exemptions} \times .03 = \text{tax withheld}$$

Direct percentage method →

Step 1 Determine the wages paid.

Step 2 Figure your employee's exemptions using the allowances claimed on Form IL-W-4.

Exemptions: Line 1 and Line 2 allowances defined

a Line 1 allowances: Locate the exempt amount that corresponds with your payroll period (e.g., weekly payroll equals \$38.46) in the direct percentage allowance table. Multiply the exempt amount by the number of allowances your employee claimed on Form IL-W-4, Line 1.

b Line 2 allowances: If your employee claimed additional allowances on Form IL-W-4, Line 2 (legally blind or age 65 exemptions), find the exempt amount that corresponds with your payroll period (e.g., weekly payroll equals \$19.23). Multiply this amount by the number of additional allowances your employee claimed on Form IL-W-4, Line 2.

c Add your answers from Step 2a and Step 2b. The result is your employee's exemptions.

Step 3 Subtract the exemptions from the wages paid. The result is the taxable amount.

Step 4 Multiply the taxable amount by 3 percent (.03). You **must** withhold this amount.

Step 5 Add any additional amount on Form IL-W-4, Line 3. This is the total amount you withhold.

Note: Be sure to use the correct line allowance when you calculate the taxable amount.

Line 1 allowances

Payroll period	Exempt amount
Daily	\$ 5.48
Weekly	38.46
Bi-weekly	76.92
Semi-monthly	83.33
Monthly	166.67
Bi-monthly	333.33
Quarterly	500.00
Semi-annually	1,000.00
Annually	2,000.00

Line 2 allowances

Payroll period	Exempt amount
Daily	\$ 2.74
Weekly	19.23
Bi-weekly	38.46
Semi-monthly	41.67
Monthly	83.33
Bi-monthly	166.67
Quarterly	250.00
Semi-annually	500.00
Annually	1,000.00

Direct percentage method allowance tables

**Direct percentage →
method example**

The following example illustrates how to calculate the amount to withhold using the direct percentage method.

Example:

You pay Mary \$500 every week. She claims three allowances on her Form IL-W-4. She claims two allowances on IL-W-4, Line 1, and one allowance on Form IL-W-4, Line 2. You withhold \$12.12 from her pay.

Step 1 Wages paid	\$ 500.00
Step 2 Figure your employee's exemptions (based on Form IL-W-4). (Line 1 allowances x weekly amount) + (Line 2 allowances x weekly amount)	
a 2x \$38.46 = \$76.92 (Form IL-W-4, Line 1)	
b 1x \$19.23 = \$19.23 (Form IL-W-4, Line 2)	
c \$76.92 + \$19.23 = \$96.15 (Step 2a + Step 2b)	
Step 3 Subtract the exemptions from the wages paid.	— 96.15
Taxable amount	\$ 403.85
Step 4 Multiply by the tax rate	x .03
Tax withheld	\$ 12.12

Automated payroll method →

Use the formula below to calculate the amount to withhold using the automated payroll method.

$$.03 \times (\text{Wages} - \frac{(\text{Line 1} \times \text{yearly amount}) + (\text{Line 2} \times \text{yearly amount})}{\text{number of pay periods}}) = \text{tax withheld}$$

Pay periods	
Weekly	52
Bi-weekly	26
Semi-monthly	24
Monthly	12
Bi-monthly	6
Quarterly	4
Semi-annually	2
Annually	1

Automated payroll method allowance table

Step 1 Determine the wages paid.

Step 2 Figure your employee's exemptions using the allowances claimed on Form IL-W-4.

- a** Multiply the number of allowances your employee claimed on Form IL-W-4, Line 1 by \$2,000.
- b** Multiply the number of allowances your employee claimed on Form IL-W-4, Line 2 by \$1,000.
- c** Add your answers from Step 2a and Step 2b.
- d** Divide the result of Step 2c by the number of pay periods from the automated payroll allowance table. The result is your employee's exemptions.

Step 3 Subtract the exemptions from the wages paid. The result is the taxable amount.

Step 4 Multiply the taxable amount by 3 percent (.03). You **must** withhold this amount.

Step 5 Add any additional amount from Form IL-W-4, Line 3. This is the total amount you withhold.

**Automated payroll →
method example**

The example below illustrates how to calculate the amount to withhold using the automated payroll method.

Example:

You pay John \$800 every week. He claims four allowances on his Form IL-W-4. Two allowances are claimed on Form IL-W-4, Line 1, and two allowances are claimed on Form IL-W-4, Line 2. You withhold \$20.54 from his pay.

Step 1 Wages paid	\$ 800.00
Step 2 Figure your employee's exemptions (based on Form IL-W-4).	
a 2x \$2,000 = \$4,000 (Line 1 x yearly amount)	
b 2x \$1,000 = \$2,000 (Line 2 x yearly amount)	
c \$4,000 + \$2,000 = \$6,000 (Step 2a + Step 2b)	
d \$6,000 ÷ 52 pay periods = \$115.38	
Step 3 Subtract the amount exempt from withholding.	— 115.38
Taxable amount	\$ 684.62
Step 4 Multiply by the tax rate	x .03
Tax withheld	\$ 20.54

Returns, Forms, and Filing Requirements

What forms must I file?

If you withhold Illinois Income Tax, you **must** file

Form IL-941 →

- **Form IL-941**, Illinois Quarterly Withholding Income Tax Return, and

Form IL-W-3 →

- **Form IL-W-3**, Illinois Annual Withholding Income Tax Return.

Form IL-501 →

Also, depending on the amount of withholding income tax you accumulate, you may be required to send additional payments using **Form IL-501**, Illinois Withholding Income Tax Payment.

Household employers, please note: If you have a household employee (*i.e.*, you control how the work is performed by a person who does domestic work around your home — for example, a babysitter, caretaker, cleaning person, driver, health aide, housekeeper, nanny, private nurse, or yard worker), you do not have to file these forms. Instead, you have the option to pay the tax you withhold from that employee's compensation (separately from any other employees) once a year. If you choose this method, complete **Form NUC1-H**, Request for Household Employer's Information. You **must** file **Form IL-700-H**, Illinois Household Employer's Tax Return, to report the tax you withheld for that employee during the calendar year. Send any amount due with that form. Do **not** file Form IL-941 or use Form IL-501 to send payments if you choose this option. If you do, we will presume that you have elected to report and pay the tax withheld using the standard withholding method. For more information about household employees, see Booklet IL-700-H, Illinois Household Employer's Tax Guide and Tables. To receive a copy of this booklet, see **"Where to Get Forms."**

When is Form IL-941 due?

The due date for Form IL-941, Illinois Quarterly Withholding Income Tax Return, depends on the amount of withheld Illinois Income Tax you accumulate. Based on the amount you accumulate, you are either an annual or quarterly filer.

Annual filer →

Less than \$500 per year

- If you withhold less than \$500 for the year, Form IL-941 is due on or before January 31 of the following year. Use the form for the fourth quarter (*i.e.*, the last Form IL-941 in the coupon booklet). Do **not** file more than one Form IL-941.

Quarterly filer →

More than \$500 per year

- If you withhold \$500 or more for the year, you must file one Form IL-941 for each quarter, **even if you did not withhold any tax during that quarter** (*e.g.*, your employees are seasonal workers). Your returns are due on or before April 30, July 31, October 31, and January 31 of the following year.

If you do not file your return when it is due, you may be assessed a penalty and interest.

Note: A quarter is a three-month period. January, February, and March are the first quarter. The second quarter is comprised of April, May, and June. July, August, and September make up the third quarter. The fourth quarter is October, November, and December.

If you are registered to file on an annual basis but accumulate more than \$500 for the year, you **must** file Form IL-941 and send a payment the quarter you reach \$500 and begin filing quarterly. You may use a copy of Form IL-941 from this booklet. Call us at 217 785-3707 and we will send you a new withholding coupon booklet.

Note: Although your tax return (Form IL-941) must be filed on either an annual or quarterly basis, you may be required to make withholding tax payments more often (*e.g.*, monthly, semi-monthly, or quarter-monthly) using Form IL-501.

When is Form IL-W-3 due?

Form IL-W-3, Illinois Annual Withholding Income Tax Return, is due on or before the last day of February following the end of the calendar year. This form is a reconciliation of the previous year's withheld tax that you reported on Forms W-2, W-2G, 1099-R, and IL-941.

Note: Do not send Forms W-2, W-2G, 1099-R or any list of Illinois Income Tax withheld with your completed and signed Form IL-W-3. Instead, keep them in your records for three years and send these forms to us only if we request them.

What should I do if I am no longer liable for withholding Illinois Income Tax?

If you stop withholding, sell your business, or if any other event that permanently eliminates all of your liability from further withholding occurs, you must send us final reports on Forms IL-941 and IL-W-3. Write an "X" in the box below Line 5 on Form IL-941 to indicate that you have **permanently** stopped withholding. All Illinois Income Tax that you withheld (or that you should have withheld) and have not paid must be paid when you file your final Form IL-941. For more information, see Section 100.7300 of the 86 Illinois Administrative Code. If you prefer, you may call our Central Registration Division at 217 785-3707 and tell them that you want to "discontinue" your business.

Am I required to use Form IL-501 and send payments more often?

You **must** use Form IL-501 and send a payment if you accumulate more than \$500 in unpaid tax withheld each month. **Unpaid tax withheld is considered to be accumulated at the end of your payroll period.**

If your filing status is quarterly or annually, but you accumulate more than \$500 in unpaid withheld income tax a month, you must complete Form IL-501 and send a payment for the tax withheld. You may use a copy of Form IL-501 from this booklet. Call our Central Registration Division at 217 785-3707 to order a new coupon booklet.

When is Form IL-501 and my payment due?

How often you must file Form IL-501 depends on the amount of accumulated unpaid tax withheld you have each month. Based on the amount you accumulate, your payments are due quarter-monthly, semi-monthly, or monthly.

Quarter-monthly or semi-monthly payments

If your accumulated unpaid tax is **more than \$1,000 each month**, you are required to make quarter-monthly or semi-monthly payments (if your payroll is semi-monthly).

Threshold 1

- You **must** send Form IL-501 and your payment when your accumulated unpaid tax is more than \$1,000 at the end of a quarter-monthly period (*i.e.*, 7th, 15th, 22nd, and last day of the month) or semi-monthly period (*i.e.*, 15th and last day of the month — semi-monthly payroll only). Form IL-501 and your payment are due on or before the **third banking day** following the close of the quarter-monthly period or semi-monthly period. Banking days do not include Saturdays, Sundays, legal holidays, or local bank holidays. Therefore, if the due date falls on a weekend or a holiday, your payment is due the next business day following the weekend or holiday.

Threshold 2

- Also, if your accumulated unpaid tax is more than \$500 on the last day of the month (but less than \$1,000), and you do not accumulate \$1,000 in unpaid tax by the end of the first quarter-monthly period the next month, Form IL-501 and your payment are due on or before the 15th day of the next month.

Example:

Your accumulated unpaid tax on June 30th is \$650. Your business is closed from July 1st through the 7th and you do not pay any compensation that requires you to withhold tax during those seven days. Therefore, you do not accumulate \$1,000 in unpaid tax by July 7th, the end of the quarter-monthly period. You must use Form IL-501 and send a payment for \$650 by July 15th because your accumulated unpaid tax on the last day of the month was over \$500 (but not more than \$1,000).

Note: Payments are not required unless your total accumulated unpaid tax withheld meets or exceeds either threshold.

Example:

Because your total tax withheld each month is more than \$1,000, you are required to make quarter-monthly payments. On January 7th, your accumulated unpaid tax withheld is \$700. You are not required to send a payment. On January 15th, you have withheld an additional \$750 for a total of \$1,450. Form IL-501 and your payment of \$1,450 are due within three banking days, or January 25th.

Note: If your total accumulated unpaid tax withheld is from two different quarters, you must send two payments and use separate Forms IL-501 to indicate for which quarters you are paying. If you do not, we will apply your payment to only one quarter.

**Quarter-monthly
payment due dates
example** →

The following example explains when quarter-monthly payments should be made.

Example:

Withholding period	Amount withheld	Payment amount	Due date	Reason
February				
1st - 7th	\$ 900	\$ 0		less than \$1,000 at end of period
8th - 15th	900	1,800	2/18	over \$1,000 at end of period
16th - 22nd	1,010	1,010	2/25	over \$1,000 at end of period
23rd - 28th	900	0		less than \$1,000 at end of period
March				
1st - 7th	0	900	3/15	more than \$500 on the last day of the month (but less than \$1,000), less than \$1,000 at end of period
8th - 15th	600	0		less than \$1,000 at end of period
16th - 22nd	600	1,200	3/25	over \$1,000 at end of period
23rd - 31st	400	0		less than \$1,000 at end of period
April				
1st - 7th	800	1,200	4/10	over \$1,000 at end of period (Use two IL-501 forms, \$400 for the 1st quarter, \$800 for for the 2nd quarter)
8th - 15th	700	0		less than \$1,000 at end of period
16th - 22nd	200	0		less than \$1,000 at end of period
23rd - 30th	110	1,010	5/4	over \$1,000 at end of period

Remember that Form IL-941 is due April 30th.

**General quarter-monthly
payment due dates** →

In general, as a **quarter-monthly filer**, you must file and pay the accumulated amount to us on the forms and by the dates identified below.

Qtr.	Form	Due on or before*	Qtr.	Form	Due on or before*
1st	IL-501	January 7, 15, 22, and 31	3rd	IL-501	July 7, 15, 22, and 31
	IL-501	February 7, 15, 22, and 28		IL-501	August 7, 15, 22, and 31
	IL-501	March 7, 15, 22, and 31		IL-501	September 7, 15, 22, and 30
	IL-941	April 30		IL-941	October 31
2nd	IL-501	April 7, 15, 22, and 30	4th	IL-501	October 7, 15, 22, and 31
	IL-501	May 7, 15, 22, and 31		IL-501	November 7, 15, 22, and 30
	IL-501	June 7, 15, 22, and 30		IL-501	December 7, 15, 22, and 31
	IL-941	July 31		IL-941	January 31 of the following year

→ Form IL-W-3 is due by February 28 of the following year ←

*Add three banking days to all Form IL-501 payment dates.

**General semi-monthly
payment due dates** →

In general, as a **semi-monthly filer**, you must file and pay the accumulated amount to us on the forms and by the dates identified below.

Qtr.	Form	Due on or before*	Qtr.	Form	Due on or before*
1st	IL-501	January 15 and 31	3rd	IL-501	July 15 and 31
	IL-501	February 15 and 28		IL-501	August 15 and 31
	IL-501	March 15 and 31		IL-501	September 15 and 30
	IL-941	April 30		IL-941	October 31
2nd	IL-501	April 15 and 30	4th	IL-501	October 15 and 31
	IL-501	May 15 and 31		IL-501	November 15 and 30
	IL-501	June 15 and 30		IL-501	December 15 and 31
	IL-941	July 31		IL-941	January 31 of the following year

→ Form IL-W-3 is due by February 28 of the following year ←

*Add three banking days to all Form IL-501 payment dates.

Monthly payments → If your accumulated unpaid tax is **more than \$500 each month** (but less than \$1,000), you are required to make monthly payments.

- You must send Form IL-501 and your payment when your accumulated unpaid tax withheld on the last day of the month is more than \$500 (but not over \$1,000).
- Form IL-501 and your payment are due on or before the 15th day of the second and third months of each calendar quarter.

Note: Payments are not required unless your total accumulated unpaid tax withheld meets or exceeds the threshold above.

Example:

Because your total tax withheld each month is more than \$500, you are required to make monthly payments. On January 31st, your accumulated unpaid tax is \$250. You are not required to send a payment. On February 28th, you have withheld an additional \$300 for a total of \$550. Form IL-501 and your payment of \$550 are due on or before March 15th.

Note: If your total accumulated unpaid tax withheld is from two different quarters, you must send two payments and use separate IL-501 forms to indicate which quarters you are paying. If you do not, we will apply your payment to only one quarter.

In general, as a monthly filer, you must file and pay the accumulated amount to us on the forms and by the dates identified below.

**General monthly →
payment due dates**

Qtr.	Form	Due on or before	Qtr.	Form	Due on or before
1st	IL-501	February 15	3rd	IL-501	August 15
	IL-501	March 15		IL-501	September 15
	IL-941	April 30		IL-941	October 31
2nd	IL-501	May 15	4th	IL-501	November 15
	IL-501	June 15		IL-501	December 15
	IL-941	July 31		IL-941	January 31 of the following year
→ Form IL-W-3 is due by February 28 of the following year ←					

What alternative methods can I use to make my Illinois withholding tax payments?

EFT →

Illinois offers electronic funds transfer (EFT) as an another way to pay withholding income tax. EFT deposits tax payments faster and offers these benefits to taxpayers:

- eliminates costs for generating checks,
- no significant up-front investment for computers or remittance processing hardware,
- eliminates your requirement to send the payment voucher (Form IL-501),
- debits occur at regular intervals, and
- assurance that your tax payments are received on time.

Note: You are still required to file Forms IL-941 and IL-W-3.

For additional information about EFT, see Booklet EFT-8, Electronic Funds Transfer Guide. If you prefer, you may write to us at

ELECTRONIC FUNDS TRANSFER DIVISION
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19015
SPRINGFIELD IL 62794-9015

or call 217 782-6257

or visit our web site at www.revenue.state.il.us

**Computer-generated →
forms**

You may use computer-generated forms if your forms meet our requirements and you obtain our approval. For more information, write to us at

OFFICE OF PUBLICATIONS MANAGEMENT
ILLINOIS DEPARTMENT OF REVENUE
101 WEST JEFFERSON STREET
SPRINGFIELD IL 62702

or call 217 782-4641

or visit our web site at www.revenue.state.il.us

Table - General Payment and Filing Requirements

General Payment and Filing Requirements for Withheld Illinois Income Tax			
If you have accumulated	your payment is due on or before	You need to use Form	Your filing status is
less than \$500 for the year,	January 31 of the following year.	IL-941 (4th quarter's) to make your payment and to report the amount of tax you withheld.	Annually
\$500 or more for the year, but less than \$500 a month,	the last day of the month following the last month of the quarter.	IL-941 to make each of your quarterly payments and to report the amount of tax you withheld.	Quarterly
more than \$500 but not more than \$1,000 on the last day of the month,	the 15th day of the 2nd and 3rd months of each calendar quarter, and on or before the last day of the month following the last month of each quarter.	IL-501 to make your 1st and 2nd payments, and use Form IL-941 to make your 3rd payment and to report the tax you withheld.	Monthly
more than \$1,000 at the end of a semi-monthly period,	the 3rd banking day following the close of the semi-monthly period (i.e., 15th and last day of the month).	IL-501 to make your semi-monthly payments, and use Form IL-941 to report the tax you withheld.	Semi-monthly
more than \$1,000 at the end of a quarter-monthly period,	the 3rd banking day following the close of the quarter-monthly period (i.e., 7th, 15th, 22nd, and the last day of each month).	IL-501 to make your quarter-monthly payments, and use Form IL-941 to report the tax you withheld.	Quarter-monthly

You must file Form IL-W-3 by the last day of February of the following year, regardless of your filing status.

Penalties and Interest

What are the different penalties?

For details about various penalties that may be imposed, see **Publication 103**, Uniform Penalties and Interest. A summary of the various penalties is below.

Late-filing or nonfiling → penalty

You owe this penalty if you do not file a processable return by the due date, or you do not correct a timely-filed return that we could not process within 30 days of the date we notified you that we could not process your return.

Note: You must sign your full name, date the return, and give your title (owner, president, manager, member, etc.). If you do not, we cannot process your return and you may be liable for this penalty and interest.

Late-payment penalty →

You owe this penalty if you do not pay the tax you owe by the payment due date, or you are required to make monthly, semi-monthly, or quarter-monthly payments and fail to do so, or do not pay the required amount by the payment due date.

Note: This penalty is figured separately for each required payment period. Therefore, you may still owe this penalty even if you paid enough tax later to make up the underpayment from a previous payment period.

Negligence penalty →

You owe this penalty if you show careless, reckless, or intentional disregard for the law or regulations.

Fraud penalty →

You owe this penalty if you file a return, an amended return, or a claim with the intent to defraud (i.e., any part of a deficiency is due to fraud).

Note: If you issue a check for tax due with the "intent to defraud" (e.g., a check that you know your bank will not honor), you can be convicted of committing a deceptive practice, a Class A misdemeanor or a Class 4 felony, punishable by either a fine, imprisonment, or both.

Personal liability → penalty

You owe this penalty if you have control, supervision, or responsibility for filing returns and making payments of any trust tax we administer, and willfully fail to file the return or make the payment, or willfully attempt to evade or defeat the tax. This penalty is equal to the total amount of unpaid tax, penalties, and interest.

When will I owe interest?

If you do not pay the tax you owe by the due date, you will owe interest. Interest is simple interest figured using a daily rate. We review the rate twice each year (on January 1 and July 1) and adjust the rate, if necessary, to match the underpayment rate established in the Internal Revenue Code. Interest is calculated on tax and penalty from the day after the original due date of your return through the date you pay the tax and penalty.

Amended Returns and Records

What if I make an error on my Form IL-941?

Form IL-941-X →

You must file **Form IL-941-X**, Amended Quarterly Illinois Withholding Tax Return, if

- you make an error on your Form IL-941 (*i.e.*, you under-reported or over-reported the amount that you withheld), or
- Lines 2 and 4 of Form IL-W-3 do not match.

Note: If Lines 2 and 4 on Form IL-W-3 do not match, you must correct or explain the difference by filing one Form IL-941-X for each quarter that a discrepancy exists.

Balance due

- If your corrections result in a balance due, you must pay the additional tax when you file your amended return. Also, you may owe penalties and interest. We will send you a bill for any penalties and interest that are due.

Overpayment

- If your corrections result in an overpayment, we will credit the balance to a later quarter. On Line 9a of Form IL-941-X, tell us to which quarter you want the overpayment applied. Write the amount of the overpayment on Line 3 of Form IL-941 when you file your return for the quarter to which we applied the credit.

To receive a refund of the overpaid amount, check “Yes” on Line 9b of Form IL-941-X.

What if I make an error on my Form IL-W-3?

Form IL-W-3-X →

You must file **Form IL-W-3-X**, Amended Annual Illinois Withholding Tax Return, if you

- make an error on your Form IL-W-3, or
- report corrections on Form IL-941-X that change the information you reported on Form IL-W-3, or
- issue a corrected Form W-2, W-2G, or 1099-R and the correction results in a change to your withholding tax liability on Form IL-W-3.

Note: Do **not** send a payment with Form IL-W-3-X. Send your payment, request for a credit, or request for a refund with your Form IL-941-X.

What if I withhold an incorrect amount from my employee's compensation?

If you withhold an incorrect amount of Illinois Income Tax from an employee's compensation

- during the **same calendar year**, adjust the amount you withhold from your employee's future compensation. File Form IL-941-X and complete Part 2.
- during the **next calendar year**, you **may not** correct the error.

Example:

In July, your employee gives you a new Form IL-W-4 and changes the number of withholding allowances claimed. You continue to withhold using the information on the old Form IL-W-4 for the rest of the year. You discover your oversight of when you prepare your employee's federal Form W-2 in January.

Do not file an amended return. You cannot correct this error. Give your employee three copies of Form W-2 showing the amount of wages paid and the actual amount of Illinois Income Tax withheld. Your employee claims the actual amount of tax withheld from wages on Form IL-1040, Illinois Individual Income Tax Return. If you under-withheld, your employee must pay any resulting underpayment when the income tax return is filed. If you withheld too much, your employee will claim a refund of any resulting overpayment of tax when the income tax return is filed.

What if I make an error on my federal forms?

If you discover an error on federal Form W-2, W-2G, or 1099-R after you have given the original form to the recipient, you must give the recipient a corrected form. The corrected form must be clearly marked “**Corrected by Employer.**” If the correction results in a change to your withholding tax liability and Form IL-W-3 has already been filed, you must complete Form IL-W-3-X.

Also, if Form W-2, W-2G, or 1099-R is lost or destroyed, you must give the recipient two copies clearly marked “**Reissued by Employer.**”

Note: We will not acknowledge any Form W-2, W-2G, or 1099-R issued either to us or to a recipient if it is illegible or has been altered by hand.

What records must I keep?

You must maintain a current and accurate record of all persons for whom you withhold Illinois Income Tax. Your records must contain the following information:

- Amounts and dates of all payments subject to withholding income tax
- Names, addresses, and Social Security numbers of persons receiving payments
- Periods of employment, including periods for which compensation was paid while absent due to sickness or injury
- Amounts paid by pay period
- Copies of monthly, quarterly, and annual returns and all statements required to be filed with us
- Copies of all federal Forms W-2, W-2G, and 1099-R issued to recipients
- Current copy of each employee's Federal Form W-4, Employee Withholding Allowance Certificate
- Current copy of each employee's Form IL-W-4, Employee's Illinois Withholding Allowance Certificate
- Current copy of each winner's Form IL-W-4-G, Gambling Withholding Exemption Certificate
- Current copy of each employee's (when applicable) Form IL-W-5-NR, Employee's Statement of Nonresidence in Illinois
- Copies of each Form IL-W-5, Certificate of Residence in Illinois, you are given
- Records of payments for personal services contracts when the income is taxable under Section 1405.2 of the Illinois Income Tax Act
- Records of payments for prizes awarded from contests in Illinois when the income is taxable under Section 1405.3 of the Illinois Income Tax Act

Note: You must keep these records for three years from the due date of the return or the date the return was filed, whichever is later, and provide them to us if we request.

General Information

Who must use Form IL-501?

You must use Form IL-501 and send a payment if you accumulate more than \$500 in unpaid tax withheld each month. **Unpaid tax withheld is considered to be accumulated at the end of your payroll period.**

Note: This form may also be used to make a withholding payment required by the Illinois Income Tax Act, Section 710 (Illinois lottery winnings). For detailed information, see Booklet IL-700, Illinois Withholding Tax Guide.

When is my payment due?

The due date of your payment depends on the amount of accumulated unpaid tax withheld you have each month.

Quarter-monthly or semi-monthly payments

If your accumulated unpaid tax is more than \$1,000 each month, you are required to make quarter-monthly or semi-monthly payments (if your payroll is semi-monthly).

- You must send Form IL-501 and your payment when your accumulated unpaid tax is more than \$1,000 at the end of a quarter-monthly period (*i.e.*, 7th, 15th, 22nd, and last day of the month) or semi-monthly period (*i.e.*, 15th and last day of the month — semi-monthly payroll only). Form IL-501 and your payment are due on or before the **third banking day** following the close of the quarter-monthly period or semi-monthly period.
- Also, if your accumulated unpaid tax is more than \$500 on the last day of the month (but less than \$1,000), and you do not accumulate \$1,000 in unpaid tax by the end of the first quarter-monthly period the next month, Form IL-501 and your payment are due on or before the 15th day of the next month.

Note: Banking days do not include Saturdays, Sundays, legal holidays, or local bank holidays. Therefore, if the due date falls on a weekend or a holiday, your payment is due the next business day following the weekend or holiday.

Monthly payments

If your accumulated unpaid tax is more than \$500 each month (but less than \$1,000), you are required to make monthly payments.

- You must send Form IL-501 and your payment when your accumulated unpaid tax withheld on the last day of the month is more than \$500 (but not over \$1,000).
- Form IL-501 and your payment is due on or before the **15th day of the second and third months** of each calendar quarter.

Note: Payments are not required unless your total accumulated unpaid tax withheld meets or exceeds the amounts defined above. For more information see Booklet IL-700, Illinois Withholding Tax Guide.

Where do I get help?

- Visit our Web site at www.revenue.state.il.us
- Call our Taxpayer Assistance Division at **1 800 732-8866** or **217 782-3336**
- Call our TDD (telecommunications device for the deaf) at **1 800 544-5304**
- Write to **ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19015
SPRINGFIELD IL 62794-9015**

Step-by-step Instructions

Step 1: Write the tax year in the space provided and write an "X" in the appropriate box to indicate which quarter you are paying. Write your federal employer identification number (FEIN), business name, and complete address.

Step 2: Write the amount you are paying.

Step 3: Make your remittance payable to "Illinois Department of Revenue." Write your FEIN, the quarter to which the payment applies, and the form number "IL-501" on your check or money order.

Mail your Form IL-501 and payment to:

**ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19447
SPRINGFIELD IL 62794-9447**

Do not file a Form IL-501 with a blank or zero amount.

Payment stub for Form IL-501

Complete this stub and keep it for future reference.

____/____/____
Quarter ended

Tax withheld

Amount of payment

Check number

____/____/____
Date filed

Cut on broken lines.

IL-501 Illinois Withholding Income Tax Payment

Write an "X" in the box to indicate which quarter you are paying.

Complete the following for the quarter. _____
Tax year

1 2 3 4

Federal employer identification number Seq. number

Business name

Write the amount of your payment here.

\$ _____.

Number and street address

Make remittance payable to "Illinois Department of Revenue."

City State ZIP Daytime phone

Mail to: **ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19447
SPRINGFIELD IL 62794-9447**

(R-12/99) IL-492-0053