



Illinois Department of Revenue

Guidelines for Quarter-monthly (Accelerated) Payments

Who must make quarter-monthly (accelerated) payments?

You must make quarter-monthly (accelerated) payments if your average monthly tax liability has met the statutory threshold for your specific account type during the previous four quarters (if applicable). Statutory thresholds can be found on the Illinois Department of Revenue's (IDOR) website at tax.illinois.gov. We automatically notify you when this occurs. If the statute for your specific account type allows, and your average monthly tax for the previous four quarters falls below the amount required, we will remove this quarter-monthly (accelerated) payment requirement and notify you of the change.

What are quarter-monthly (accelerated) payments?

Quarter-monthly (accelerated) payments are payments that you are required to make four times a month. These payments are due on the 7th, 15th, 22nd, and last day of the month. If the date falls on a weekend or holiday, then your payment is due the next business day. Your monthly tax returns and any remaining payment is due on or before the due date printed on your return.

How much must I pay?

You may choose one of the following options to determine your payments for the month:

Option 1 - a minimum of 22.5 percent of the actual liability for the current month

Option 2 - a minimum of 25 percent of the actual liability for the same month of the preceding year

Note: We use **Option 2** to figure the payment amount shown on the schedule or forms that we send to you. IDOR also uses the amount based on last year's liability in [MyTax Illinois](#) to schedule quarter-monthly (accelerated) tax payments. Option 1 generally should be used if you believe your receipts will be lower than the same month of the preceding year.

For example:

For each of the following examples, assume that, in January, your business had weekly sales tax collections of \$2,000, \$10,000, \$8,000, and \$4,000 for a total of \$24,000. Assume as well that your tax collections for the same month last year totaled \$30,000.

If you chose **Option 1**, you would have been required to pay a minimum of 22.5 percent (.225) of the actual liability for the current month. To figure the amount of your required payments, multiply the total sales tax you anticipate will be collected for the current month by 22.5 percent ($\$24,000 \times .225 = \$5,400$). Below is an illustration of the minimum payment amount that would have been required under **Option 1**, based on an estimate of \$24,000 as the current month's liability.

January 7th	January 15th	January 22nd	January 31st	Total payments made for January	Payment due with Form ST-1
\$5,400	\$5,400	\$5,400	\$5,400	\$21,600	\$2,400

If you are having difficulty estimating the 22.5% for the current period, it is best to estimate high and pay a higher amount for the first one or two payments and then adjust. Any amount from payment one that is over the minimum required amount for that period is credited toward the second payment's minimum amount, and so forth. If the first two payments of the month are sufficient to cover your quarter-monthly payment requirement for the month, you do not have to make payments three and four. Still using **Option 1**, if your current month's liability is \$24,000 you are required to pay a minimum of 22.5 percent (.225) of the actual liability for the current month ($\$24,000 \times .225 = \$5,400$). Below is an illustration of making higher payment amounts than required for the first two payments under **Option 1**.

January 7th	January 15th	January 22nd	January 31st	Total payments made for January	Payment due with Form ST-1
\$10,000	\$8,000	\$4,000	\$0	\$22,000	\$2,000

The payments would be applied by IDOR as follows:

- Payment 1 \$5,400 (From the \$10,000, \$4,600 carrying forward)
- Payment 2 \$5,400 (\$2,600 carry forward+\$4,600 previous carrying forward=\$7,200)
- Payment 3 \$5,400 (\$5,800 carrying forward)
- Payment 4 \$5,400 (\$400 over required minimum amount – no penalty)

Note: If your estimated payments are below 22.5 percent of the actual liability for the month, you may be subject to penalties and interest.

If you chose **Option 2**, you would have been required to pay a minimum of 25 percent (.25) of the actual liability for the same month of the preceding year. To figure the amount of your required payments, multiply the total sales tax collected for the same month of the preceding year by 25 percent (e.g., \$30,000 X .25 = \$7,500). Below is an illustration of the minimum payment amount that would have been required under **Option 2**.

January 7th	January 15th	January 22nd	January 31st	Total payments made for January	Payment due with Form ST-1
\$7,500	\$7,500	\$7,500	\$7,500	\$30,000	\$0

Since your current month's liability (\$24,000) was less the same month for the preceding year (\$30,000), this option will cause an overpayment of \$6,000 for the current liability period.

Still using **Option 2**, if your liability for the current month (\$24,000) is less than the liability for the same month of the preceding year (\$30,000), once you have paid your current month's liability, you have satisfied the quarter-monthly (accelerated) payment requirement. You can modify your fourth payment amount.

January 7th	January 15th	January 22nd	January 31st	Total payments made for January	Payment due with Form ST-1
\$7,500	\$7,500	\$7,500	\$1,500	\$24,000	\$0

How do I make my payments?

Your quarter-monthly (accelerated) schedule is available through your [MyTax Illinois](#) account and will show the payment amount (figured using Option 2 above), the payment due dates, and the liability period to which each payment applies. Most taxpayers are required to submit their quarter-monthly (accelerated) payments electronically either online through [MyTax Illinois](#) or by using our Electronic Funds Transfer (EFT) program.

Note: If you choose to use an electronic payment method other than [MyTax Illinois](#), you must first register for the EFT program. For information about EFT requirements or for EFT registration information, please call us at 217 782-6257.

What happens if I overpay my final liability?

If your quarter-monthly (accelerated) payments exceed the total liability for the month shown on your tax return, you will have a credit ("prior overpayment") which you may apply against existing or future liabilities. You can use your credit in the following ways:

- To apply a prior overpayment as a quarter-monthly (accelerated) installment that you pay electronically, at least one day before the payment due date, email your request to REV.credittransfers@Illinois.gov or fax the request to 217 524-9001. Your email should include verification that this credit is available (for example, a screen shot of your account in [MyTax Illinois](#), copy of your Taxpayer Statement, etc.), and tell us your account ID, the amount of credit that you would like to use, and the liability period to which you would like it applied. Reduce the amount of your payment by the credit you wish to use.
- To apply a prior overpayment as a quarter-monthly (accelerated) installment that you pay by mail, enter the amount on the credit line of your Quarter-monthly (Accelerated) Payment Voucher. Reduce your payment by the amount of credit you wish to use. Include this credit in the amount that you report on the applicable line of your return.
- To apply a prior overpayment against any remaining liability due on your monthly return, reduce your payment by the amount of the prior overpayment you wish to use. Enter the prior overpayment on the appropriate line on your tax return.
- To apply a prior overpayment against an outstanding Final Notice of Tax Due, or Notice of Tax Liability, enter on the notice the amount of prior overpayment you wish to use.

What happens if my payments are late or underpaid?

If you make your payments late or you underpay, you may owe penalty and interest. We will apply payments in the order received. This minimizes the possibility of penalty and interest charges. We will bill you for any penalties and interest. For additional information, see [Publication 103 – Penalties and Interest for Illinois Taxes](#).

Can quarter-monthly (accelerated) requirements be waived?

We will consider a written request for waiver of the quarter-monthly (accelerated) payment requirement if the statute for your specific tax type allows waivers of this requirement. We will consider allowing a waiver in the following instances:

- you sold or lost a portion of your business,
- you made unusual purchases that resulted in a large, one-time payment of use tax during the calculation period, or
- you expect to pay a reduced amount of tax due to a recent law change.

Your request for a waiver must include estimates of your future monthly tax liability. If you would like to request a waiver of quarter-monthly (accelerated) requirements, email the request to rev.salestaxcorrespondence@illinois.gov or fax it to **217 524-9001**.

How do I request a waiver of penalty due to reasonable cause?

If you have been charged a penalty but believe you have reasonable cause (e.g. casualty, disaster) for not complying with the tax laws, you may request a waiver of penalty (abatement of penalty). Reasonable cause may exist when you show that you used ordinary business care and prudence and were still unable to meet the requirements for filing your return and paying the amount owed on time. For more information, see our website at tax.illinois.gov, the [Reasonable Cause Regulations](#) and [Publication 103 – Penalties and Interest for Illinois Taxes](#).

Questions?

If you have questions visit our website at tax.illinois.gov or email us at REV.TA-Sales@illinois.gov.