

Form IL-941-X Important Information and Instructions

Important Information

What's new for 2020?

- All withholding income tax credits are now reported on the Schedule WC, Withholding Income Tax Credits. The new Schedule WC-I, Withholding Income Tax Credits Information and Worksheets, provides detailed information about the withholding income tax credits, how to calculate them and where to report them.
- Public Act 101-0001 creates the Minimum Wage Credit effective for tax years beginning on or after January 1, 2020. See Schedule WC-I for information.
- Public Act 101-0031 requires that Illinois income tax must be withheld from all payments made to residents **and** nonresidents after December 31, 2019, for winnings from wagering at a licensed Illinois horse racing pari-mutuel wagering facility or an Illinois casino, riverboat or organization gaming facility, provided that the entity making the payment is required to withhold federal income tax under Section 3402(q) of the Internal Revenue Code from those winnings.

Who must file Form IL-941-X?

You must file Form IL-941-X if

- you need to correct amounts you reported on previously filed Forms IL-941 or IL-941-X, or
- you disagree with a change we made on your account or the amount of overpayment that was verified for the reporting period.
- you want to request verification of an overpayment.

Note You must always report the exact amount of tax that you actually withheld during the reporting period on your Form IL-941 or Form IL-941-X.

Note If you made an error that required a Form IL-941-X and you made the same reporting error on your return and your employee's Form W-2 or payee's Form 1099 or W-2G, you must also provide your employee or payee with a Form W-2c or corrected Form 1099 or W-2G, and attach copies to your Form IL-941-X.

Note Effective **January 1, 2021**, taxpayers will be required to file Form IL-941-X electronically.

When shouldn't I file Form IL-941-X?

- **Do not file** Form IL-941-X if you reported the amount you actually withheld, even if you withheld the wrong amount.
- If you discover an error in withholding before the end of the year, you should correct the error by adjusting the amount you withhold on the following quarter.
- If you cannot correct the error before the end of the year, you must make sure that your withholding tax return and each employee's or payee's Form W-2, W-2G, W-2c, or 1099 report the actual amount withheld. The employee or payee will account for the exact amount of tax you withheld on his or her income tax return.
- To correct a payment that was applied to an incorrect period, you must send a written request to have the payment moved. In your written request, please include your account number; the amount and date of the payment; the period to which the payment was applied; the period to which the payment needs to be applied; and the reason for your request to move the payment. Also include a complete list of payment amounts and dates for both periods. Send the request to the address listed in the "Where do I get help?" section.
- You realize, after you issued the employee's W-2 for the calendar year, you withheld too much from the employee in a prior quarter, however you reported the exact amount you withheld on the quarter's Form IL-941 and Form W-2 for that employee. Even though the amount you withheld was not correct, **do not** refund the over-withheld amount to the employee, **do not** file an amended return, and **do not** file an amended W-2 changing the withholding amount. The amount you reported on your Form IL-941 and your employee's Form W-2 is correct in that the amount was exactly what you withheld. The over-withheld amount will be credited to the taxpayer when he or she files his or her individual income tax return. Note: If the **wages** reported were incorrect, you will need to issue a corrected W-2 to report the correct amount of Illinois wages, but the Illinois withholding should not change.

For additional information and details, see the instructions for Form IL-941.

When is Form IL-941-X due?

You should report increases in your tax due immediately to minimize penalties and interest. If your change decreases your tax due, file Form IL-941-X no later than

- three years after the 15th day of the 4th month following the close of the calendar year in which the tax was withheld, or
- one year after the date the tax was paid,

whichever is later. Make sure to allow time for processing.

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You may be assessed penalties and interest if your Form IL-941-X is filed after the due date of your original return. If so, we will send you a notice.

What are the penalties and interest?

For information about penalties and interest, see **Publication 103**, Penalties and Interest for Illinois Taxes.

Which steps must I complete?

You must complete every step to report changes previously reported on your Forms IL-941 or IL-941-X. If we agree that you have a valid overpayment, it will first be applied to any outstanding withholding income tax liabilities. Then it may be refunded depending on fund availability.

What do I need to attach to my Form IL-941-X as support?

You must attach your completed Form Schedule P, Illinois Withholding Schedule and if required, a Schedule WC, Withholding Income Tax Credits. In addition, if you are filing this IL-941-X for a previous calendar year, you must electronically submit all annual withholding forms that report Illinois withholding, including Forms W-2, W-2G, W-2c, and 1099 to the Department. For more information on reporting requirements, please see Publication 110.

Note Go to our website at tax.illinois.gov for more information on our W-2 electronic transmittal options, including MyTax Illinois.

Where do I get help?

- Visit our website at tax.illinois.gov
- Call us 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 19001
SPRINGFIELD IL 62794-9001
- For more information about Illinois withholding income tax, see Publication 130, Publication 131, and Form IL-941 Instructions.

Step-by-Step Instructions

Step 1: Provide your information

Enter your information and check any box that is applicable.

Reporting Period — Check the same box that was checked on the Forms IL-941 or IL-941-X you are amending.

Step 2: Tell us about your business

Item A1 — Enter the total number of W-2 forms reporting Illinois withholding you were required to issue for the entire year. Only complete this line when you file your 4th quarter or final return.

Item A2 — Enter the total number of 1099 forms reporting Illinois withholding you were required to issue for the entire year. Only complete this line when you file your 4th quarter or final return.

Item B — Complete this line only if you have permanently stopped withholding and this is your final return.

Steps 3 through 5:

Follow the instructions on the form and enter the **corrected** amounts for each line.

Step 3: Tell us about the amount subject to withholding

Line 1 — Enter the total of all amounts subject to Illinois withholding income tax (either required or by voluntary agreement) including payroll, compensation, gambling winnings (such as Illinois Lottery winnings), amounts paid to purchase the rights to Illinois Lottery winnings, or any other wage or non-wage income. **Do not leave blank** - if you had no amount subject to Illinois withholding, enter zero.

Step 4: Tell us about the amount withheld and previous overpayments

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Line 2 — Enter the exact amount of Illinois Income Tax you withheld from your employees' or others' income on the date you paid the compensation. This step is separated by month and lists every day in each month. Enter the amount of Illinois income tax you withheld from your employees or payees on the exact day you paid the amount from which you withheld tax.

1. Enter the amount of Illinois Income Tax you withheld from your employees' or payees' income on the exact day you withheld it. Do not write this amount on the day you made your deposit — it must be the day you made your payroll or compensation payments. For example, if your payroll is paid on January 15 and January 30 and you withheld a total of \$300 each payroll, you will enter \$300 on the 15th and \$300 on the 30th in the "First month of quarter" section.

15	\$300.00
30	\$300.00

2. For each month add the daily amounts to determine the total tax withheld for the month and enter the total in the space provided. For this example, you would enter \$600 on Line 2a.

Total Illinois Income Tax withheld this month. (Add Section 2a, Lines 1-31.) 2a **\$600.00**

3. For each quarter, add the amounts from Lines 2b, 2c, and 2d, and enter the total on the line provided and on Form IL-941-X, Line 2.

Add Lines 2b, 2c, and 2d and enter the total amount here. This is the total dollar amount of Illinois Income Tax actually withheld from your employees or others for this quarter. 2 **\$1,800.00**

IMPORTANT: Enter the total of all amounts of Illinois Income Tax actually withheld (either required or by voluntary agreement) this reporting period, even if you are able to use a credit to pay your withholding liability. This includes employee withholding and any withholding that was made on other Illinois income. **Do not estimate this amount. Do not leave the total line for Line 2 blank-** if you did not withhold during this period, enter zero.

Line 3 — Enter the total amount of credits resulting from this period.

This amount should include the following:

- Any credits that you were previously allowed to use to offset a liability on another period
- Any refund that you received
- Any overpayment amount used to pay the penalty and interest on the period

Note: Do not include the Minimum Wage, EDGE or ILSBJC credits that were not used towards your tax liability on this period.

Line 4 — Follow the instructions on the form.

Step 5: Tell us about your payments and credits

Schedule P Instructions -

- Enter all payee's/employee's names and Social Security numbers in the same order as reported on your original IL-941, Schedule P for the reporting period.
- Enter the corrected income and withholding amounts for each payee/employee listed on your original IL-941, Schedule P for the reporting period. List any new payee/employee information last.
- If you are amending your return to show zero income or withholding, you may receive a request for additional information.

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Line 5 - Enter the amount from Schedule WC, Line 7. If you are claiming a credit, you must attach Illinois Schedule WC and any other required support listed on Schedule WC. For more information, see Illinois Schedule WC Instructions, and Schedule WC-I, Withholding Income Tax Credits Information and Worksheets.

Note: The Department applies credit and payments in a specific order. The withholding credits (Line 5) are applied first, and then the payments (Line 6).

Line 6 — Enter the total amount of withholding payments you have made during this period. This includes all IL-501 payments (electronic and paper coupons) and any payments submitted with Form IL-941 or Form IL-941-X previously filed for this period. **Do not** include payments you are submitting with this Form IL-941-X. **Do not leave blank.**

Line 7 — Follow the instructions on the form.

Step 6: Figure your balance

Line 8 — Follow the instructions on the form. This is your balance due.

Line 9 — Follow the instructions on the form. **NOTE:** Any approved overpayment will be offset to any outstanding tax liabilities and then refunded. Verified credits are not available to be carried forward to future tax liabilities.

Step 7: Sign here

You, or a person authorized by you through a Power of Attorney form, must sign and date the first signature line of your return. If you do not sign your return, it will be considered **not** filed and you may be subject to a **nonfiler penalty**. The paid preparer line must be completed by a person whom you paid to complete the return and who is not your employee. Enter the paid preparer's IRS Preparer Tax Identification Number (PTIN) in the space provided. If you want to allow a person, other than yourself, to discuss this return with us, check the box and print the designee's name and phone number. This authorization will allow your designee to answer any questions that arise during the processing of your return, call us with questions about your return, and receive or respond to notices we send. The authorization will automatically end no later than one year from the due date of this return. You may revoke the authorization at any time by calling or writing us.

For more information, see the 2020 Form IL-941 Instructions.

Mail your completed Form IL-941-X and support to:

**ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19052
SPRINGFIELD IL 62794-9052**