

**Illinois Department of Revenue  
Regulations**

<b>Title 86 Part 750 Section 750.300</b>	<b>Payments Required to be Paid by Electronic Funds Transfer</b>
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**TITLE 86: REVENUE  
CHAPTER I: DEPARTMENT OF REVENUE  
  
PART 750  
PAYMENT OF TAXES BY ELECTRONIC FUNDS TRANSFER**

**Section 750.300 Payments Required to be Paid by Electronic Funds Transfer**

- a) Income Tax Payments
  - 1) Beginning on October 1, 1993, certain withholding tax payments and estimated income tax payments will be required to be paid by electronic funds transfer. The threshold amounts are set by law, change over time, and are detailed below.
  - 2) *Beginning on October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more under Article 7 of the Act shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1993, a taxpayer who has an average quarterly estimated tax payment obligation of \$450,000 or more under Article 8 of the Act shall make all payments required by rules of the Department by electronic funds transfer. (Section 601.1 of the Illinois Income Tax Act [35 ILCS 5/601.1] ("the IITA"))*
    - A) Beginning on October 1, 1994, the threshold for taxpayers with withholding liability under Article 7 of the IITA drops to an average monthly liability of \$100,000, and, beginning on October 1, 1995, the threshold drops to an average monthly liability of \$50,000.
    - B) Beginning on October 1, 1994, the threshold for taxpayers with liability for estimated tax payments under Article 8 of the IITA drops to an average quarterly estimated tax payment obligation of \$300,000 and, beginning on October 1, 1995, the threshold drops to an average quarterly estimated tax payment obligation of \$150,000.
    - C) Beginning on October 1, 2000, the threshold for taxpayers with withholding liability under Article 7 of the IITA drops to an average annual liability of \$200,000 and the threshold for taxpayers with liability for estimated tax payments under Article 8 of the IITA drops to an average quarterly estimated tax payment obligation of \$50,000.
    - D) *Beginning October 1, 2002, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments of that tax to the Department by electronic funds transfer. The term "annual tax liability" means the*

*greater of the amount of the taxpayer's tax liability under Article 7 of the IITA for the immediately preceding calendar year or the taxpayer's estimated tax payment obligation under Article 8 of the IITA for the immediately preceding calendar year. [20 ILCS 2505/2505-210]*

- E) *Beginning October 1, 2010, except as provided in subsection (a)(2)(F), a taxpayer (other than an individual taxpayer) who has an annual tax liability of \$20,000 or more and an individual taxpayer who has an annual tax liability of \$200,000 or more shall make all payments of that tax to the Department by electronic funds transfer. [20 ILCS 2505/2505-210(b)] The term "annual tax liability" means the greater of the amount of the taxpayer's tax liability under Article 7 of the IITA for the immediately preceding calendar year or the taxpayer's estimated tax payment obligation under Article 8 of the IITA for the immediately preceding calendar year. [20 ILCS 2505/2505-10(d)]*
  - F) *Beginning with calendar year 2011, payments of withholding required to be made on a semi-weekly basis under IITA Section 704A(c)(1) must be made by electronic funds transfer. (IITA Section 704A(c)(1)) (See 86 Ill. Adm. Code 100.7325(c)(4).)*
- 3) The Department will only require payments by electronic funds transfer in those circumstances in which it is cost-effective for the Department to receive payments by electronic funds transfer and where receipt of payments by electronic funds transfer is consistent with the Department's tax processing capabilities.
  - 4) Taxpayers over the statutory thresholds will only be required to make certain types of income tax payments by electronic funds transfer.
    - A) Taxpayers with income tax withholding liabilities over the statutory thresholds shall make IL-501 payments by electronic funds transfer. All other withholding payments by those taxpayers shall be made by conventional means.
    - B) Corporate taxpayers with estimated income and replacement tax liabilities over the statutory thresholds shall make IL-1120-ES payments and IL-505-B payments by electronic funds transfer.
    - C) Individual taxpayers with estimated income tax liabilities over the statutory thresholds shall make IL-1040-ES and IL-505-I payments by electronic funds transfer.
    - D) Any other taxpayers not listed above who incur estimated income tax liabilities over the statutory thresholds will, upon contact by the Department, be required to make subsequent estimated payments by electronic funds transfer as directed by the Department.
- b) State and Local Occupation and Use Tax Payments Reported on Form ST-1, Sales and Use Tax and E911 Surcharge Return
    - 1) Beginning on October 1, 1993, the Department will require certain State and

local occupation and use tax payments to be made by electronic funds transfer. Subsection (b) sets forth the types of payments that must be made by electronic funds transfer.

- A) *Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "average monthly tax liability", as used in this subsection (b), shall be the sum of the taxpayer's liabilities under the Retailers' Occupation Tax Act and all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year, divided by 12. (Section 3 of the Retailers' Occupation Tax Act [35 ILCS 120/3] ("the ROT"))*
- B) *Beginning October 1, 1994, the threshold for taxpayers required to make payments by electronic funds transfer drops to those taxpayers with average monthly tax liability of \$100,000.*
- C) *Beginning October 1, 1995, the threshold for taxpayers required to make payments by electronic funds transfer drops to those taxpayers with average monthly tax liability of \$50,000.*
- D) *Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under the Retailers' Occupation Tax Act and all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. [35 ILCS 120/3]*
- E) *Beginning October 1, 2002, and through September 30, 2010, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments of that tax to the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liability reported on that taxpayer's Form ST-1, Sales and Use Tax and E911 Surcharge Return [20 ILCS 2505/2505-210].*
- F) *Beginning October 1, 2010, a taxpayer who has an annual tax liability of \$20,000 or more shall make all payments of that tax to the Department by electronic funds transfer. Before August 1 of each year, the Department shall notify all taxpayers required to make payments by electronic funds transfer. All taxpayers required to make payments by electronic funds transfer shall make those payments for a minimum of one year beginning on October 1. The term "annual tax liability" means, for a taxpayer that incurs a tax liability under the Retailers' Occupation Tax Act, Service Occupation Tax Act, Use Tax Act, Service Use Tax Act, or any other State or local occupation or use tax law that is administered by the Department, the sum of the taxpayer's liabilities under the Retailers' Occupation Tax Act, Service Occupation Tax Act, Use Tax Act, Service Use Tax Act, and all other State and local occupation and use tax laws administered by the Department for the immediately preceding calendar year. [20 ILCS*

2505/2505-210] The term "annual tax liability" shall be the sum of the taxpayer's liability reported on that taxpayer's Form ST-1, Sales and Use Tax and E911 Surcharge Return.

- 2) The Department will only require payments by electronic funds transfer in those circumstances in which it is cost-effective for the Department to receive payments by electronic funds transfer and where receipt of payments by electronic funds transfer is consistent with the Department's tax processing capabilities.
  - 3) Taxpayers over the statutory thresholds will only be required to make RR-3 sales tax accelerated quarter-monthly payments, ST-1 return payments, PST-1 return payments and PST-3 return payments by electronic funds transfer. Any other payments that accompany a tax return (for example, ST-1-X return payments, 556 return payments, etc.) may not be paid by electronic funds transfer.
- c) Electricity Excise Tax Payments
- 1) Beginning October 1, 1999, each delivering supplier or self-assessing purchaser whose average monthly liability under the Electricity Excise Tax Law was \$10,000 or more is required to make all payments by electronic funds transfer. The calculation to determine the average monthly liability is made by taking the sum of the liabilities of the delivering supplier or self-assessing purchaser for the immediately preceding calendar year and dividing by the number 12.
  - 2) The Department will calculate the delivering supplier's or self-assessing purchaser's average monthly liability for calendar year 1998, and only for calendar year 1998, by taking the sum of the delivering supplier's or self-assessing purchaser's liabilities for the last 5 months of calendar year 1998 and dividing by the number 12.
  - 3) *Beginning October 1, 2002, and through September 30, 2010, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments of that tax to the Department by electronic funds transfer. The term "annual tax liability" means the sum of the taxpayer's liabilities for the immediately preceding calendar year. [20 ILCS 2505/2505-210]*
  - 4) *Beginning October 1, 2010, a taxpayer who has an annual tax liability of \$20,000 or more shall make all payments of that tax to the Department by electronic funds transfer [20 ILCS 2505/2505-210].*
- d) Other Tax Payments
- Beginning on October 1, 2002, and through September 30, 2010, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments of that tax to the Department by electronic funds transfer. Before August 1 of each year, beginning in 2002, the Department shall notify all taxpayers required to make payments by electronic funds transfer. All taxpayers required to make payments by electronic funds transfer shall make those payments for a minimum of one year beginning on October 1. Beginning October 1, 2010, a taxpayer who has an annual tax liability of \$20,000 or more shall make all payments of that tax to the Department by electronic funds transfer. [20 ILCS 2505/2505-210] This requirement applies to all taxes administered by the Department not otherwise specified in this Section.*

- e) **Liquor Revenue Tax Payments**  
Beginning on January 1, 2003, and through September 30, 2010, a taxpayer who has an annual tax liability of \$200,000 or more in the immediately preceding calendar year shall make all payments of that tax to the Department by electronic funds transfer. Beginning October 1, 2010, a taxpayer who has an annual tax liability of \$20,000 or more shall make all payments of that tax to the Department by electronic funds transfer. [20 ILCS 2505/2505-210] A taxpayer who fails to file an electronic report and electronically pay the tax imposed pursuant to Section 8-1 of the Liquor Control Act of 1934 [235 ILCS 5] to the Department on or before the 15<sup>th</sup> day of the calendar month following the calendar month in which alcoholic liquor is sold or used by that taxpayer is not entitled to receive the discount provided in Section 8-2 of the Liquor Control Act.
- f) **Cigarette and Cigarette Use Tax Payments; Tax Stamp Payments**
- 1) Beginning on January 1, 2003, through September 30, 2010, each distributor who has an annual tax liability of \$200,000 or more in the immediately preceding calendar year must pay for its cigarette revenue tax stamps by means of electronic funds transfer. Beginning October 1, 2010, a cigarette manufacturer who is required to file returns pursuant to Section 3 of the Cigarette Tax Act [35 ILCS 130] or Section 3 of the Cigarette Use Tax Act [35 ILCS 135] and has an annual tax liability of \$20,000 or more shall make all payments of tax to the Department by electronic funds transfer [20 ILCS 2505/2505-210].
  - 2) Beginning on January 1, 2003, through June 30, 2003, each distributor who pays for cigarette revenue tax stamps with a postdated draft shall pay such draft by means of electronic funds transfer [35 ILCS 135/3]. On and after July 1, 2003, payment for tax stamps affixed to original packages of cigarettes and packages of little cigars containing 20 or 25 little cigars must be made by means of electronic funds transfer.
  - 3) Distributors who purchase cigarette revenue tax stamps must pay for their purchases using the ACH debit method. The ACH credit method is not available to taxpayers who are purchasing cigarette tax stamps.
- g) **Hotel Operators' Occupation Tax Payments**  
Beginning on January 1, 2003, and through September 30, 2010, a taxpayer who has an annual tax liability of \$200,000 or more in the immediately preceding calendar year of Hotel Operators' Occupation Tax shall make all payments of that tax to the Department by electronic funds transfer. Beginning October 1, 2010, a taxpayer who has an annual tax liability of \$20,000 or more shall make all payments of that tax to the Department by electronic funds transfer [20 ILCS 2505/2505-210].
- h) **Soft Drink Tax Payments**  
Beginning on January 1, 2003, and through September 30, 2010, a taxpayer who has an annual tax liability of \$200,000 or more in the immediately preceding calendar year of taxes imposed under 8-11-6b of the Illinois Municipal Code [65 ILCS 5/8-11-6b] shall make all payments of that tax to the Department by electronic funds transfer. Beginning October 1, 2010, a taxpayer who has an annual tax liability of \$20,000 or more shall make all payments of that tax to the Department by electronic funds transfer [20 ILCS 2505/2505-210].

- i) Telecommunications Excise Tax and Simplified Municipal Telecommunications Tax Payments  
Beginning on January 1, 2003, *a taxpayer who has an average monthly tax liability of the taxes imposed under the Telecommunications Excise Tax Act [35 ILCS 630] and the Simplified Municipal Telecommunications Tax Act [35 ILCS 636/Art. 5] of \$1,000 or more for the immediately preceding calendar year shall make all payments of those taxes to the Department by electronic funds transfer and shall file the return required by Section 6 of the Telecommunications Excise Tax Act by electronic means [35 ILCS 630/6].*
  
- j) Motor Fuel Tax Law and Environmental Impact Fee Law  
Beginning October 1, 2012, payments of the fee imposed by Section 13a.4 of the Motor Fuel Tax Law [35 ILCS 505] shall be made as provided in 86 Ill. Adm. Code 500.305. Beginning January 1, 2013, payments of taxes and fees imposed by Sections 13a and 13a.5 of the Motor Fuel Tax Law shall be made as provided in 86 Ill. Adm. Code 500.335 and 500.320, respectively. Beginning January 1, 2016, payments of taxes imposed by Sections 2 and 2a of the Motor Fuel Tax Law and payments of the fee imposed by the Environmental Impact Fee Law [415 ILCS 125/Art. 3] shall be made as provided in 86 Ill. Adm. Code 500.203.
  
- k) Medical Cannabis Cultivation Privilege Tax Law  
A taxpayer may voluntarily make payments of the tax imposed by Section 210 of the Medical Cannabis Cultivation Privilege Tax Law [410 ILCS 130/190 through 215] by electronic funds transfer.

(Source: Amended at 40 Ill. Reg. 9229, effective June 24, 2016)