



informational

Bulletin

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Withholding Income Tax Changes

This bulletin summarizes the Illinois Withholding Income Tax changes for tax year 2017, for employers, payroll service providers, software developers, and those that pay gambling and lottery winnings.

Several changes are being made to Illinois Withholding Income Tax for tax year 2017.

- All withholding taxpayers will be required to file quarterly returns. The annual filing option will no longer be available.
- All withholding taxpayers will be assigned to pay withholding income tax on a monthly or semi-weekly schedule. The annual payment option will no longer be available.
- Form IL-941, Illinois Withholding Income Tax Return, has changed. The form requires additional information to implement new legislation and provide better guidance to the taxpayer in calculating and paying withholding income tax.

Note: These changes do not go into effect until January 1, 2017. For tax year 2016, continue to file and pay your Illinois Withholding Tax per your assigned 2016 filing and payment schedules.

This bulletin is written to inform you of recent changes; it does not replace statutes, rules and regulations, or court decisions.

For information or forms
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

Effective January 1, 2017, all Illinois Withholding Income Tax filers will be required to file their IL-941 returns quarterly.

Your Form IL-941 is due by the last day of the month that follows the end of the quarter. For each quarter, you must include all Illinois Income Tax withheld during the corresponding three months. **Note:** If the due date falls on a holiday or weekend, the return is due on the next business day.

<i>Quarter</i>	<i>Months included</i>	<i>Quarter ends</i>	<i>IL-941 is due</i>
1	January, February, March	March 31	April 30 (May 1 for 2017)
2	April, May, June	June 30	July 31
3	July, August, September	September 30	October 31
4	October, November, December	December 31	January 31

Effective January 1, 2017, all Illinois Withholding Income Tax filers will be assigned to either a monthly or a semi-weekly payment schedule.

Your payment due dates are determined by the payment schedule we assign to you based on your liability, and the day you pay your employees or others from whom tax is withheld. If you are currently an annual payer, we will notify you of your assignment to either a monthly or a semi-weekly payment schedule for 2017. If you withhold over \$12,000 in a quarter you are required to submit your payments electronically on a semi-weekly basis from that point forward. For more information, see Publication 131.

- **Monthly IL-501 payments** are due by the 15th day of the month following the month in which the tax was withheld.
- **Semi-weekly IL-501 payments** are due by Wednesday for amounts withheld on the preceding Wednesday, Thursday, or Friday, and by Friday for amounts withheld on the preceding Saturday, Sunday, Monday, or Tuesday.

The Form IL-941, Illinois Withholding Income Tax Return, has been updated for the 2017 tax year.

Changes on the 2017 Form IL-941 include:

- Line C has been added to Step 2 to verify compliance with the Illinois Secure Choice Savings Program Act (820 ILCS 80/1, *et seq.*). For more information go to illinoisretirement.gov.
- Step 4 has been updated to include a section for entering required withholding information for each month of the quarter. Step 4 (see below for example) has entry lines for the amount of income tax withheld based upon the day the compensation was paid (payroll dates). This change will assist taxpayers with reporting the correct amount of income tax withheld during the quarter. Refer to the Form IL-941 Instructions for examples and more information.

Step 4: Tell us about the amount withheld (Do not leave this section blank.)

2 Enter the exact amount of Illinois Income Tax you actually withheld from your employees or others on the date you paid the compensation.

2a First month of quarter (*i.e.*, January for 1st quarter; April for 2nd quarter; July for 3rd quarter; and October for 4th quarter)

Day	Amount	Day	Amount	Day	Amount	Day	Amount
1	_____.	9	_____.	17	_____.	25	_____.
2	_____.	10	_____.	18	_____.	26	_____.
3	_____.	11	_____.	19	_____.	27	_____.
4	_____.	12	_____.	20	_____.	28	_____.
5	_____.	13	_____.	21	_____.	29	_____.
6	_____.	14	_____.	22	_____.	30	_____.
7	_____.	15	_____.	23	_____.	31	_____.
8	_____.	16	_____.	24	_____.		

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

- Step 7 includes a line for preparers to enter their IRS-issued preparer tax identification number (PTIN). This is required per the State Tax Preparer Oversight Act (35 ILCS 5/503). Beginning on or after January 1, 2017, all paid income tax return preparers are required to include their PTIN on any tax returns they prepare and file under the Illinois Income Tax Act or on any claim for refund of tax imposed by the Illinois Income Tax Act. Failure to comply may result in assessment of a penalty on the preparer.

Important:

- **Failure to complete Step 4, in addition to all required sections of the Form IL-941, could result in assessment of penalties for filing a return that cannot be processed.**
- **Failure to make your IL-501 payments by the due dates for your assigned schedule could result in late payment penalties.**

For more information or forms

- Refer to Publication 130, Publication 131, and Form IL-941 Instructions
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