

Form IL-941 Special Instructions for Production and Loan-Out Companies

For production projects beginning on or after December 12, 2025, Public Act (P.A.) 104-0453 amends the Illinois Income Tax and Film Production Services Tax Credit Acts to specify the responsibilities of production companies, or its authorized payroll service, and loan-out companies for the payment and reporting of Illinois Income Tax withheld on compensation for services performed in Illinois.

If you do not already have an active Illinois withholding income tax account with the Illinois Department of Revenue (IDOR), you may register electronically using MyTax Illinois, complete and mail Form REG-1, Illinois Business Registration Application, or visit a regional office.

For a complete guide on filing a Form IL-941, Illinois Withholding Income Tax Return, see our instructions on the [IDOR website](#).

How do production companies pay and report Illinois withholding income tax for loan-out companies?

Step 1: Make IL-501 payments. There are two different payment schedules — **monthly** and **semi-weekly**. For more information on payment schedules, see [Publication 131-D, Withholding Income Tax Payments and Return Due Dates](#).

Step 2: Complete and file Form IL-941 each quarter. Due dates for the 2026 Form IL-941 are April 30, 2026; July 31, 2026; November 2, 2026; and February 1, 2027. Form IL-941 is required to be filed electronically. See the [IDOR website](#) for additional information.

Special Instructions for a Production Company filing Form IL-941

Line 2 — Enter the exact amount of Illinois income tax you withheld on behalf of the loan-out companies or others on the date you paid the compensation. Each month in the quarter requires specific daily withholding figures to be entered on the exact date that you issued the payroll, not the dates payments were submitted to IDOR.

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.

Schedule P, Illinois Withholding Schedule, instructions- The production company must list each loan-out company as a payee, as well as their own employees, for whom they are withholding. The loan-out company FEIN, instead of a social security number (SSN), must be used in Column 2 of the form.

Required attachments -

- A cover letter identifying the filing company as a “production company” paying on behalf of a loan-out company.
- For each loan-out company listed on Schedule P, a completed Schedule PC, Withholding Made on Behalf of a Loan-Out Company, showing the breakdown of the amount paid to each loan-out company. This breakdown must include a list of the amounts paid on behalf of each employee or payee. The total amount should be included on the Schedule P and Form IL-941, Step 4, Line 2.

Please note: If you file your Form IL-941 on MyTax Illinois, attachments may be included. If you file using a third party software, you may submit these attachments, along with a written explanation of the items attached, to REV.BPD@Illinois.gov.

How do loan-out companies report the amount of Illinois withholding income tax paid by production companies on their behalf?

The loan-out company is considered the employer of record and must report Illinois withholding income tax for each employee. Like the production companies, you are also responsible for filing a quarterly Form IL-941, where you will report how much withholding was paid on behalf of your employees by the production company. You will receive a credit for those amounts.

Special Instructions for a Loan-Out Company filing Form IL-941

Complete and file Form IL-941 each quarter. Due dates for the 2026 Form IL-941 are April 30, 2026; July 31, 2026; November 2, 2026; and February 1, 2027. Form IL-941 is required to be filed electronically. See the [IDOR website](#) for additional information.

Line 2 - You will report the amount of withholding paid on your behalf by a production company on the last day of the quarter in Step 4, Line 2.

Schedule WC, Withholding Income Tax Credits, instructions - You will complete a Schedule WC. For Step 2, enter the Credit Code 0980 in Column B and the amount of withholding paid on your behalf in Column F. Leave all other columns blank.

Line 3 - You will carry that amount of credit from the Schedule WC over to Step 5, Line 3, on Form IL-941, which will offset any withholding made by the production company reported in Step 4, Line 2.

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Schedule P instructions - You are required to list each employee as a payee in Column 1 and list each employee's SSN in Column 2.

Required attachments -

- A cover letter identifying the filing company as a "loan-out company" who received a quarterly statement from a production company.
- Schedule PC, completed by the production company, to verify they were responsible for paying the Illinois withholding income tax on your behalf.

Please note: If you file your Form IL-941 on MyTax Illinois, attachments must be included. If you file using a third party software, you must submit these attachments, along with a written explanation of the items attached, to REV.BPD@Illinois.gov.

Note: In addition to federal Forms W-2 or 1099, the loan-out company is responsible for issuing a Form IL-W2-LC, Statement of Withholding to each employee reporting Illinois wages and withholding for the tax year.

For more information on Form W-2 filing requirements, see [Publication 110, Forms W-2, W-2c, W-2G, and 1099 Filing and Storage Requirements for Employers and Payers, including 1099-K Electronic Filing Requirements](#).

Where can I get help?

- Visit our website, tax.illinois.gov, for assistance, forms or schedules.
- Write us at:
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19001
SPRINGFIELD IL 62794-9001
- Call **1 800 732-8866** or **217 782-3336** (TTY, telecommunications device for the deaf, at **1 800 544-5304**.)
- Visit a taxpayer assistance office - 8:00 a.m. to 5:00 p.m. (Springfield office) and 8:30 a.m. to 5:00 p.m. (all other offices), Monday through Friday.
- For more information about Illinois withholding income tax, see [Publication 130, Who is Required to Withhold Illinois Income Tax](#), and [Publication 131, Withholding Income Tax Payment and Filing Requirements](#).