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Bulletin

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Reminder to Taxpayers of Calculation Options for Quarter-Monthly (Accelerated) Payments

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

To: Taxpayers subject to a quarter-monthly (accelerated) payment requirement

For information or forms
Visit our website at:
tax.illinois.gov

Email us at:
REV.TA-Sales@illinois.gov

In an effort to assist taxpayers, the Illinois Department of Revenue (IDOR) is providing guidance regarding quarter-monthly (accelerated) payments.

How does IDOR calculate the amount of quarter-monthly (accelerated) payment I must make?

Illinois law allows taxpayers that are required to make quarter-monthly (accelerated) payments two options for calculating those payments:

- **Option 1** - at least 22.5 percent of the taxpayer's current month's actual tax liability, or
- **Option 2** - 25 percent of the taxpayer's actual tax liability for the same month of the preceding year.

IDOR uses the minimum amount calculated using both options to determine whether you have met your statutory obligation. That is, if option 1 calculates to a lower amount than option 2, we use that amount as your required payment amount. Note that you may be subject to penalties if you pay less than the required minimum amount. For more information on penalties, see [Publication 103, Penalties and Interest for Illinois Taxes](#).

For example, assume in the current month that your business collected a total of \$24,000 in tax. For the same month last year, assume your business collected a total of \$30,000 in tax.

Option 1

The minimum weekly payment amount due using option 1 is calculated as 22.5 percent (.225) of the actual liability for the current month:
 $\$24,000 \times .225 = \$5,400$.

Option 2

The minimum weekly payment amount due using option 2 is calculated as 25 percent (.25) of the actual liability for the same month of the preceding year: $\$30,000 \times .25 = \$7,500$.

In the above example, IDOR would use option 1 to determine whether you met your quarter-monthly payment responsibility because it is the lesser amount.

Prior to each quarter, when IDOR sends you a letter containing your quarter-monthly (accelerated) payment requirements, we use the latter of these two amounts (*i.e.*, 25 percent of the retailer's liability for the same month last year) because we have no way of knowing what a retailer's current monthly liability will be until that retailer files its return for that month.

IDOR also uses the amount based on last year's liability in the application to schedule quarter-monthly (accelerated) tax payments in MyTax Illinois at mytax.illinois.gov.

What if I have no tax collections or greatly reduced tax collections for the current month?

No collections

If you have no tax collections for the current month, you are not required to make any quarter-monthly (accelerated) payments. Your minimum amount, as calculated using option 1 above, due in this situation is \$0 (*i.e.*, $\$0 \times .225 = \0).

Reduced collections

If your tax collections are greatly reduced for the current month, you may calculate your quarter-monthly (accelerated) payments using an estimate of what you believe will be the actual current month's tax liability.

• **Example 1**

You have plans to close your business temporarily starting in the middle of the month. If at this point, after making two payments according to IDOR's payment schedule, you estimate that you have met or exceeded what your actual tax liability will be for the month, you may choose not to make your final two payments.

• **Example 2**

You realize, after making two payments according to IDOR's payment schedule, that those payments likely will meet or exceed what you estimate will be your actual tax liability for the month. In this situation, you may choose to reduce the amount or to not make your final two payments.

• **Example 3**

You have closely tracked your receipts for the month and have made two payments based on estimates of those receipts. You realize that you estimated too high for your current month's receipts and that the payments you made likely will meet or exceed what you estimate will be your actual tax liability for the month. In this situation, you may choose to reduce the amount or to not make your remaining payments.

However, as noted above, you may be subject to penalties if IDOR subsequently determines that you did not meet your minimum quarter-monthly (accelerated) threshold. For more information on penalties, see [Publication 103, Penalties and Interest for Illinois Taxes](#).

If I have no tax collections and have made no payments for the current month, do I still need to file a return?

Yes. Even if you have no tax collections for the current month and have made no payments, you are still required to file your return with IDOR.

If I am using MyTax Illinois to make my quarter-monthly (accelerated) payments, can I change the amount that IDOR displays?

Yes. MyTax Illinois allows the user to change the amount that IDOR pre-populates to schedule quarter-monthly (accelerated) tax payments.

Am I able to cancel a payment I previously submitted using MyTax Illinois that has not yet been processed?

Yes. MyTax Illinois allows the user to cancel pending tax payments. See IDOR's [Instructions to Cancel a Login Payment Request on MyTax Illinois](#), available on the IDOR website at tax.illinois.gov.

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 an overpayment credit that you may apply against existing or future liabilities, including future quarter-monthly (accelerated) payments. See [IDR-825, Guidelines for Quarter-monthly \(Accelerated\) Payments](#), for more information on applying overpayment credit.

What if I have questions?

If you have questions, visit our website at tax.illinois.gov, see [IDR-825, Guidelines for Quarter-monthly \(Accelerated\) Payments](#), or email us at REV.TA-Sales@illinois.gov.