



informational

Bulletin

David Harris, Director

What's New for Illinois Income Taxes

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



File your return online at:

mytax.illinois.gov

Email us at:

- Individual income tax questions:
REV.TA-IIT@illinois.gov
- Business and withholding income tax questions:
REV.TA-BIT-WIT@illinois.gov

Call us at:

1 800 732-8866 or
217 782-3336

TTY at:

1 800 544-5304

Hours:

Monday through Friday,
8:00 a.m. - 5:00 p.m.

This bulletin summarizes changes for

- 2023 Illinois Income Tax forms and schedules for individuals and businesses,
- 2024 Withholding Income Tax forms and schedules, and
- tax preparers and software developers.

General Tips and Information for the Filing Season

- The Illinois Department of Revenue's (IDOR) taxpayer assistance number is available for tax-related inquiries, and includes automated menus allowing taxpayers to check the status of a refund, identify a PIN, or receive estimated payment information without having to wait for an agent.
- We continue to use and increase enhanced efforts to protect taxpayers from identity theft and tax fraud. Our highly successful methods combat criminal activity and our objective is to get your tax refund to you as quickly as possible.
- Income tax filing and payment relief is available for individuals and businesses affected by the attacks that took place in Israel during October 2023 and the resulting Israeli-Palestinian conflict. See the [Gov. Pritzker Announces Tax Relief for Individuals and Businesses Affected by the Conflict in the Middle East](#) news article on IDOR's website for more information.
- Use MyTax Illinois to make filing your 2023 IL-1040 easier than ever. You may file with or without a MyTax Illinois account; reduce errors with automated calculations and prepopulated information from previous returns; pay your tax electronically or receive refunds quickly with direct deposit; and receive immediate confirmation of your submitted tax return. Visit mytax.illinois.gov to determine if you are eligible to use this simplified filing process.

What are the changes to the 2023 Form IL-1040, Illinois Individual Income Tax Return, and schedules?

- The 2023 personal exemption amount is \$2,425.
- The original due date for filing your 2023 Form IL-1040 and paying any tax you owe is April 15, 2024. The extended due date for filing your return is October 15, 2024.
- Quarterly 2024 estimated payments can be made in four equal installments based upon 90 percent of the expected liability for year 2024 or 100 percent of the liability of year 2023 to avoid penalty if the payments are made timely.
- **Forms IL-1040 and IL-1040-X** - In accordance with Public Act 103-0009, the Volunteer Emergency Worker Credit was added to Line 16. Additional instructions were added throughout the return to better assist the taxpayer when filing.
- **Schedule 1299-C** - In accordance with Public Act 102-0700, the K-12 Instructional Materials and Supplies Credit (5740) was increased to \$500. **Note:** Information about all the credits can be found in Schedule 1299-I.
- **Schedule M** - In accordance with Public Act 103-0008, a new subtraction was added on Line 40 for deductions for cannabis establishments operating and licensed in Illinois that were disallowed federally under IRC Section 280E for the taxable year.
- **Schedule ICR** - In accordance with Public Act 103-0009, the Volunteer Emergency Worker Credit was created to allow a limited amount of \$500 non-refundable credits for qualified volunteer emergency workers awarded through the Office of the Illinois State Fire Marshal (OSFM) and Illinois Department of Revenue (IDOR). Step 2, Section 3 was added to claim this credit. **Note:** You must have a Voluntary Emergency Worker Credit Certificate to claim this credit. See the [Voluntary Emergency Worker Credit webpage](#) for more information.
- **Schedule IL-E/EIC** - In accordance with Public Act 102-0700, the Illinois Earned Income Tax Credit (EITC) was increased from 18% to 20% of the federal earned income tax credit and expanded. Taxpayers now qualify for the Illinois EITC if the taxpayer is filing
 - with an Individual Taxpayer Identification Number (ITIN), or
 - without a qualifying child and is at least age 18 or older (including taxpayers over ages 65).The Schedule IL-E/EIC was updated to
 - allow entry of an ITIN in place of Social Security number for dependents and qualifying children, and
 - include the Illinois Expanded EITC Worksheet for taxpayers who do not qualify for the EITC federally to calculate the federal EITC amount from which their Illinois EITC amount is derived.**Note:** See Schedule IL-E/EIC Instructions for information on if you qualify for and how to claim the Illinois EITC credit.

Reminders for Illinois Individual Income Tax filing

- Use [Where's My Refund?](#) to find out if IDOR has initiated the refund process. For more specific information about the status of your refund after IDOR has finished processing it, you can check the Illinois Comptroller's [Find Your Illinois Tax Refund System](#).
- To qualify for the Illinois Earned Income Credit, you must meet certain requirements and file a tax return, even if you do not owe any tax or are not required to file. See the [Illinois Earned Income Tax Credit \(EITC\)](#) web page for more information.
- You can use MyTax Illinois to respond to most income tax correspondence from IDOR if you have a MyTax Illinois account. Simply log in to your account, click "more account options," and "respond to notice" in the Letters and Messages section.
- The Illinois exemption allowance, Illinois Property Tax Credit, and the K-12 Education Expense Credit are not allowed if the taxpayer's adjusted gross income for the taxable year exceeds \$500,000 for returns with a federal filing status of married filing jointly, or \$250,000 for all other returns.

What are the changes to the 2023 Illinois Business Income Tax returns and schedules?

- The address change box (Step 1, Line B) has been removed from all business income tax returns (Forms IL-1120, IL-1120-X, IL-1120-ST, IL-1120-ST-X, IL-1065, IL-1065-X, IL-1041, IL-1041-X, IL-990-T, IL-990-T-X). IDOR will automatically update the account using the address entered into Step 1, Line B.
- Schedule B, Section B, for partnerships and S corporations and Schedule D, Section B, for fiduciaries has been reformatted from 4 columns to 3 columns to allow more information to be entered on each of the lines.
- Form IL-1041, Fiduciary Income and Replacement Tax Return, and Form IL-1041-X, Amended Fiduciary Income and Replacement Tax Return, have a new Grantor Trust checkbox added under Step 1, Letter D.
- In accordance with Public Act 103-0009, investment partnerships are now required to withhold an amount for their nonresident partners. As a result, Line 59 on Form IL-1065, Partnership Replacement Tax Return, and Form IL-1065-X, Amended Partnership Replacement Tax Return, has been changed into Lines 59a (pass-through withholding you owe on behalf of your members), 59b (investment partnership withholding), and 59 (total withholding). Also, a new schedule, Schedule K-1-P(4), Investment Partnership Withholding Calculation for Nonresident Partners, has been developed to aid in calculating the withholding requirement.
- Partnerships electing to make the election to pay pass-through entity (PTE) tax may now deduct distributions to retired partners, to the extent those distributions are exempt from Illinois tax, when calculating base income subject to PTE tax.
- The year has been removed from the top of the business income tax vouchers. To avoid processing delays, taxpayers and preparers should ensure that the month and year are entered on the "Tax year ending" lines of each voucher.
- Schedule J, Foreign Dividends, Lines 13, 14, and 15, have been modified to include a reference to Federal Schedule C, Line 16a.
- Schedule M has been modified to include:
 - a new subtraction line (Line 35) which will allow a subtraction for cannabis establishments operating and licensed in Illinois that had deductions disallowed federally under IRC Section 280E.
 - new reserved lines for future subtractions, and
 - a new note to Line 39 which was added to help reduce the number of entries mistakenly reported on this line which should have been reported on another line of Schedule M or Illinois business income tax schedule.
- Form IL-4562, Special Depreciation, has been modified to include calculations for property placed in service after December 31, 2023, and before January 1, 2025, subject to 60 percent federal bonus depreciation.

What are the changes to the Illinois Income Tax credits?

- In accordance with Public Act 102-1053, the Recovery and Mental Health income tax credit was created and is effective for tax years beginning on or after January 1, 2023. The credit has been added to Schedules 1299-I, 1299-A, 1299-C, and 1299-D. Contact the [Illinois Department of Human Services \(IDHS\)](#) for more information.
- In accordance with Public Act 102-0700, the maximum K-12 Instructional Materials and Supplies credit amount allowed for Form IL-1040 filers has increased. For tax years beginning on or after January 1, 2023, the maximum credit allowed for a single taxpayer is \$500 or \$1000 for taxpayers married, filing jointly.
- For the Adoption credit (Form IL-1040 filers only), no new credits will be allowed for tax years beginning on or after July 12, 2024.
- For the Agritourism Liability Insurance income tax credit, no new credit will be allowed for tax years ending after December 31, 2023.
- For the Invest in Kids credit, no new credit will be allowed for tax years ending after December 31, 2023.

Illinois Income Tax credits - continued

- In accordance with Public Act 103-0009, the Historic Preservation tax credit has been extended to tax years ending on or before December 31, 2028.
- In accordance with Public Act 103-0009, the New Markets Development tax credit has been extended to tax years ending on or before June 30, 2031.
- In accordance with Public Act 103-0268, the Hydrogen Fuel Replacement tax credit was created and is effective for tax years ending on or after December 31, 2027.
- In accordance with Public Act 103-0396, earned credits for tax years ending on or after December 31, 2023, are allowed to be passed through to the partners and shareholders in accordance with either the determination of income and distributive share of income or as otherwise agreed to by the partners or shareholders.

What are the changes to the 2024 Illinois Withholding Income Tax forms?

- 2024 Publication 131-D, Withholding Income Tax Payment and Return Due Dates, has been updated to include the specific due dates for withholding payments and Form IL-941, Illinois Withholding Income Tax Return.

| Must pay electronically or use Form IL-501 by | Must file Form IL-941 electronically by |
|--|---|
| 15th of each month for amounts withheld in the preceding month. | <ul style="list-style-type: none"> • April 30, 2024 • July 31, 2024 • October 31, 2024 • January 31, 2025 |

| Semi-weekly Payment and Quarterly Return Schedule | |
|--|---|
| Must pay electronically by | Must file Form IL-941 electronically by |
| Wednesday for amounts withheld on the preceding Wednesday, Thursday, or Friday, and | <ul style="list-style-type: none"> • April 30, 2024 • July 31, 2024 • October 31, 2024 • January 31, 2025 |
| Friday for amounts withheld on the preceding Saturday, Sunday, Monday, or Tuesday | |

- The following withholding income tax forms must be submitted electronically by the due date indicated in the chart below. 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](#) for more information.

| Form | Due Date |
|--|------------------|
| W-2, Wage and Tax Statement | January 31, 2024 |
| W-2G, Certain Gambling Winnings | April 1, 2024 |
| 1099-K, Merchant Card and Third Party Network Payments, issued to payees with Illinois addresses if you are required by the IRS to electronically file or the payee has 4 or more transactions and the cumulative total of the payee's transactions exceeds \$1,000. | April 1, 2024 |

Note: The Illinois filing requirements for these documents are separate from the federal filing requirements. Failure to submit required documents to Illinois directly may result in penalties.

What other information is important for tax preparers and software vendors for the filing season?

- Tax forms and form instructions, when released, can be found in the forms area of IDOR's website, <https://tax.illinois.gov/forms>.
- Illinois vendor draft forms pages have been moved to a new location. Vendors must complete a [Form IL-8633-SF, Substitute Forms Provider Annual Enrollment](#), before being given the hyperlink to the vendor draft forms page. A username and password is no longer needed to access the page. For more information, see our website.
- Substitute paper forms must be submitted and approved through our Forms Approval Program. For more information, see the [IL-8633-SF Guide, Substitute Forms Guidelines](#) on our website.
- **Reminder:** If you are a tax preparer, make sure your tax preparation software is up to date. Using the most recently updated version of your tax preparation software helps reduce the time it takes us to process your clients' returns and helps ensure the security of your clients' tax information.

NOTE: Do not mail IDOR any version of a form that contains a watermark.

- Certain paper returns will be processed using imaging software. All specifications for producing substitute forms, including the 1-D barcode and 2-D barcode, are available on the "Draft Forms" web page. See the [Substitute Forms Developers web page](#) for more information.

What is coming in 2024?

- **Personal Exemption** — The personal exemption amount for tax year 2024 will increase to \$2,775. This impacts 2024 Form IL-1040 for individuals, including estimated payments, and 2024 withholding income tax rates for employers (see Form IL-700-T, Illinois Withholding Tax Tables Booklet).
- We encourage taxpayers to check our website at tax.illinois.gov for the most current information.