



# informational

## Bulletin

David Harris, Director

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](http://tax.illinois.gov)



File your return online at:  
[mytax.illinois.gov](http://mytax.illinois.gov)

Email us at:

- Individual income tax questions:  
[REV.TA-IIT@illinois.gov](mailto:REV.TA-IIT@illinois.gov)
- Business and withholding income tax questions:  
[REV.TA-BIT-WIT@illinois.gov](mailto: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.

## What's New for Illinois Income Taxes

This bulletin summarizes changes for

- 2025 Illinois Income Tax forms and schedules for individuals and businesses,
- 2026 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.
- All updates for the tax filing season will be posted to our website at [tax.illinois.gov](http://tax.illinois.gov). We encourage taxpayers to check back for the most up-to-date information.
- Use MyTax Illinois to make filing your 2025 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](http://mytax.illinois.gov) to determine if you are eligible to use this simplified filing process.

## General Information for 2025 Form IL-1040, Illinois Individual Income Tax Return, Filers

- The original due date for filing your 2025 Form IL-1040 and paying any tax you owe is April 15, 2026. The extended due date for filing your return is October 15, 2026.
- Quarterly 2026 estimated payments can be made in four equal installments based upon 90 percent of the expected liability for year 2026 or 100 percent of the liability of year 2025 to avoid penalty if the payments are made timely.

## What are the changes to the 2025 Form IL-1040 and schedules?

- The 2025 personal exemption amount is \$2,850.

### Specific Form Changes

- Form IL-1040
  - Line 42 has been updated to gather additional information for Get Covered Illinois, the state's Health Insurance Marketplace.
  - No longer include certain retirement payments made directly to retired partners reported on Schedule K-1-P and your beneficiary share of payments from certain retirement plans and retirement payments to retired partners reported on Schedule K-1-T on Form IL-1040, Line 5. These amounts should be reported on Schedule M, Line 14.
- Schedule M
  - Added Line 18 in accordance with Public Act 103-0647 (with an effective date of July 2, 2024) which amends IITA Section 203(a) for individuals and allows a subtraction for amounts included in an eligible resident's federal AGI that is attributable to medical debt relief received by the taxpayer under the provisions of the Medical Debt Relief Act. This subtraction is effective for tax years beginning on or after January 1, 2025.
  - For tax year 2025 and after, report certain retirement payments made directly to retired partners reported on Schedule K-1-P and your beneficiary share of payments from certain retirement plans and retirement payments to retired partners reported on Schedule K-1-T on Schedule M, Line 14.
- Schedule IL-E/EITC
  - Page 1, Line 1 – exemption amount increased to \$2,850
  - Page 3, Line 12 – Child Tax Credit amount calculation updated to 40%
  - Page 4, Line 16 chart and Line 21 updated with new income limits
- Schedule 1299-C
  - Page 2, Lines 11a-c – diamonds added for prime filer and spouse as data captured fields beginning with the 2025 tax year.

## 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.

## Reminders for Illinois Individual Income Tax filing - continued

- 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 2025 Illinois Business Income Tax returns and schedules?

- Effective for tax years ending on or after June 16, 2025, gains and losses from sales or exchanges of shares in Subchapter S corporations or from interest in partnerships, other than investment partnerships, are allocable to Illinois if the pass-through entity is taxable in Illinois. Line 9 of Schedule NB, Nonbusiness Income, has been reformatted to include these gains or losses.
- Effective for tax years ending on or after December 31, 2025, Illinois unitary taxpayers must follow the Finnigan method of apportionment when calculating their apportionment factor on Illinois Schedule UB, Combined Apportionment for Unitary Business Group.
- Schedule UB and the Subgroup Schedule have been reformatted to alleviate processing issues caused by input lines with insufficient space.
- Effective for tax years ending on or after December 31, 2025, two Safe Harbor exceptions have been removed from the addition modification provisions for interest and intangible expense on Schedule 80/20, Related-Party Expenses.
- Effective for tax years ending on or after December 31, 2025, Illinois aligns with federal filing guidelines regarding allocations of certain interest expenses for taxpayers subject to the Internal Revenue Code (IRC) Section 163(j) deduction limit. Schedule 80/20 instructions have been updated to reflect the change.
- Effective for tax years ending on or after December 31, 2025, Schedule J, Foreign Dividends, has been modified to limit the dividend received deduction for Net Controlled Foreign Corporation Tested Income (NCTI) (formerly Global Intangible Low-Taxed Income, or GILTI, for short) to 50% of the amount recognized.
- Schedule K-1-P, Partner's or Shareholder's Share of Income, Deductions, Credits, and Recapture, has been updated to include a new step (Step 8) for partners' shares of retirement payments. In addition, the income tax credit section has been updated to reflect the current income tax credits.
- Schedule M, Other Additions and Subtractions (for businesses), has been reformatted to include a new addition line for any amount that was deducted from a taxpayer's federal taxable income and which is attributable to an endowment gift for which the taxpayer receives a credit under the Illinois Gives Tax Credit Act.
- The expiration date for the deduction of excess business losses for trusts and estates has been removed in accordance with Public Act 104-0453. Schedule M instructions have been updated to reflect the change.
- The expiration date for the Pass-through Entity (PTE) tax has been removed in accordance with Public Act 104-0453. Form and schedule instructions have been updated to reflect the change.
- For property acquired and placed in service after January 19, 2025, the federal bonus depreciation is 100% of the basis of the property. In addition, for property placed in service during the first taxable year ending after January 19, 2025, taxpayers may elect to apply a federal bonus depreciation of 40% or 60%. IL-4562 instructions have been updated to reflect the change.
- For tax years beginning on or after January 1, 2026, Public Act 104-0453 amended Section 203 of the IITA to decouple Illinois from federal 100 percent bonus depreciation claimed under IRC Section 168(n). Use Form IL-4562, Special Depreciation, Line 16 to include the amount of federal depreciation you would have claimed for this taxable year had you not made the election to claim bonus depreciation on your federal return. The IL-4562 instructions have been updated to reflect the change.

## What are the changes to the Illinois Income Tax credits?

- In accordance with Public Act 102-0669, the following income tax credits were created and are effective for tax years beginning on or after January 1, 2025:

- **Reimagining Energy and Vehicles (REV) Illinois** credit and
- **Reimagining Energy and Vehicles (REV) Construction Jobs** income tax credit.

**NOTE:** Taxpayers must have the applicable tax credit certificate from the Department of Commerce and Economic Opportunity (DCEO) to claim these credits. Instead of claiming the REV Illinois Credit against the taxes imposed under IITA Section 201(a) and (b), a taxpayer may elect to claim against its withholding tax obligation only that portion of the REV Illinois Credit that is calculated based on the incremental income tax attributable to new employees and retained employees.

- In accordance with Public Act 102-0700, the following income tax credits were created and are effective for tax years beginning on or after January 1, 2025:

- **Manufacturing Illinois Chips for Real Opportunity (MICRO) Investment** tax credit;
- **Manufacturing Illinois Chips for Real Opportunity (MICRO) Illinois** credit; and
- **Manufacturing Illinois Chips for Real Opportunity (MICRO) Construction Jobs** income tax credit.

**NOTE:** Taxpayers must have the applicable tax credit certificate from DCEO to claim the MICRO Illinois credit or the MICRO Construction Jobs credit. Taxpayers approved as a MICRO project by DCEO will not receive a certificate from DCEO for qualified property eligible for the MICRO Investment credit.

**SPECIAL NOTE:** Instead of claiming the MICRO Illinois Credit against the taxes imposed under IITA Section 201(a) and (b), a taxpayer may elect to claim against its withholding tax obligation only that portion of the MICRO Illinois Credit that is calculated based on the incremental income tax attributable to new employees and retained employees.

- In accordance with Public Acts 103-0592 and 103-1055, the **Wages Paid to Returning Citizens** credit has been significantly amended. For tax years beginning on or after January 1, 2025, the credit percentage was increased to 15 percent of qualified wages paid to a returning citizen during the taxable year. For tax years ending on or after December 31, 2025, the total credits for all tax years for wages paid to a particular returning citizen may not exceed \$7,500. In addition, the aggregate amount of all Wages Paid to Returning Citizens credits awarded by IDOR in any calendar year may not exceed \$1,000,000 and will be awarded on a first-come first-served basis.

**NOTE:** Taxpayers with qualifying wages must apply to IDOR for the Wages Paid to Returning Citizens credit through MyTax Illinois. If approved, a certificate will be issued. The credit certificate must be attached to the taxpayer's return when claiming the credit. For more information, see [Informational Bulletin FY 2026-08, Changes to the Credit for Wages Paid to Returning Citizens](#).

- In accordance with Public Act 103-0592, the **Illinois Gives** tax credit was created and is effective for tax years ending on or after December 31, 2025.
- In accordance with Public Act 104-0006, the **Advancing Innovative Manufacturing (AIM) for Illinois** tax credit was created and is effective for tax years beginning on or after January 1, 2026.
- In accordance with Public Act 104-0453, the **Film Production Service** credit has been significantly amended. For accredited productions commencing on or after July 1, 2025, the credit has been expanded to include increased amounts for local labor and Illinois vendors plus incentives for regional productions, productions relocating to Illinois, and productions certified as green. Additional changes include an increase in the number of non-residents eligible for the credit and the inclusion of airfare as a qualifying production expense. The expiration date was extended to include tax years beginning prior to January 1, 2039.

## Illinois Income Tax credits - continued

- In accordance with Public Act 104-0434, the following tax credits' expiration dates were extended:
  - the **Apprenticeship** tax credit has been extended to include tax years beginning on or before January 1, 2027; and
  - the **River Edge Historic Preservation** tax credit and the River Edge Construction Jobs tax credit have been extended to include tax years ending prior to January 1, 2029.

## What are the changes to the 2026 Illinois Withholding Income Tax?

- 2026 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.

Monthly Payment and Quarterly Return Schedule		Semi-weekly Payment and Quarterly Return Schedule	
<p><b>Must pay</b> electronically or use Form IL-501 by</p> <p><b>15th of each month</b> for amounts withheld in the preceding month.</p>	<p><b>Must file</b> Form IL-941 electronically by</p> <ul style="list-style-type: none"> <li>• April 30, 2026</li> <li>• July 31, 2026</li> <li>• November 2, 2026</li> <li>• February 1, 2027</li> </ul>	<p><b>Must pay</b> electronically by</p> <p><b>Wednesday</b> for amounts withheld on the preceding Wednesday, Thursday, or Friday, and</p> <p><b>Friday</b> for amounts withheld on the preceding Saturday, Sunday, Monday, or Tuesday</p>	<p><b>Must file</b> Form IL-941 electronically by</p> <ul style="list-style-type: none"> <li>• April 30, 2026</li> <li>• July 31, 2026</li> <li>• November 2, 2026</li> <li>• February 1, 2027</li> </ul>

- 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	February 2, 2026
W-2G, Certain Gambling Winnings	March 31, 2026
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.	March 31, 2026

**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.

- In accordance with Public Act 104-0453, the Illinois Income Tax Act and the Film Production Services Tax Credit Act were amended to ensure that the production company or its authorized payroll service company is responsible for withholding Illinois taxes for compensation paid to a loan out company for services performed in Illinois.

## What are the new Withholding Income Tax credits?

- In accordance with Public Act 102-0669, the **Reimagining Energy and Vehicles (REV) Illinois** withholding income tax credit was created and is effective for tax years beginning on or after January 1, 2025.
- In accordance with Public Act 102-0700, the **Manufacturing Illinois Chips for Real Opportunity (MICRO) Illinois** withholding income tax credit was created and is effective for tax years beginning on or after January 1, 2025.

## 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 [2025 Guidelines for Substitute Tax Forms \(Form IL-8633-SF Instructions\)](#) 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.
  - Make sure that your taxpayers are receiving all the credits for which they qualify. See our website, [tax.illinois.gov](https://tax.illinois.gov), for more information on Illinois credits. The [Volunteer Emergency Worker Credit](#) includes volunteer workers with county or municipal emergency services and disaster agencies. The Child Tax Credit is an income tax credit for taxpayers who qualify for Illinois EITC and have at least one dependent under the age of 12.

## What is coming in 2026?

- **Personal Exemption** — The personal exemption amount for tax year 2026 will increase to \$2,925. This impacts 2026 Form IL-1040 for individuals, including estimated payments, and 2026 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](https://tax.illinois.gov) for the most current information.