



informational

Bulletin

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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:
REV.BPD@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.

Changes to Withholding Income Tax for Film Production and Loan-Out Companies

Beginning on or after December 12, 2025, Public Act (P.A.) 104-0453 amends the Illinois Income Tax and Film Production Services Tax Credit Act. The amendment clarifies the responsibilities of production companies (or their payroll service) and loan-out companies to pay and report Illinois income tax withheld from compensation for services performed in Illinois.

What is a production company?

A “production company” is a corporation or other entity that creates media such as film, video, commercial, or television productions accredited by the Illinois Department of Commerce & Economic Opportunity (DCEO) pursuant to the Film Production Services Tax Credit Act of 2008.

What is a loan-out company?

A “loan-out company” is a personal service corporation or other entity that is under contract with a production company to provide specified individual personnel, such as artists, crew, actors, producers, or directors for the performance of services used directly in a production.

Note: “Loan-out company” does not include entities contracted with the taxpayer to provide goods or ancillary contractor services such as catering, construction, trailers, equipment or transportation.

How do I register with the Illinois Department of Revenue (IDOR) to pay and report withholding income tax?

For production and loan-out companies that do not already have an active Illinois withholding income tax account with IDOR, you may register electronically using [MyTax Illinois](#), complete and mail [Form REG-1, Illinois Business Registration Application](#), or visit a [regional office](#).

What are the filing changes for 2026?

For 2026, both production companies and loan-out companies are required to report the withholding income tax paid or paid on their behalf using Form IL-941, Illinois Withholding Income Tax Return.

What are the filing changes for 2026? (Continued from Page 1)

Production companies must withhold Illinois income taxes for compensation paid to loan-out companies and

- make either monthly or semi-weekly IL-501 payments of the Illinois income taxes withheld;
- file a quarterly Form IL-941 to report wages and withholding paid on behalf of the loan-out companies; and
- report quarterly to the loan-out companies any withholding income tax amounts paid on their behalf.

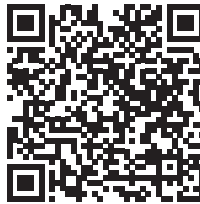
Loan-out companies are considered the employer of record and must report withholding income tax for each employee. As the employer of record, you must

- file a quarterly Form IL-941 to report wages and withholding income tax amounts paid on behalf of the loan-out company; and
- report annually to each employee any distributions of withholding income tax made by the production company.

For information on payment requirements, see Publication 131, Withholding Income Tax Payment and Filing Requirements.

Where can I find additional information?

For more information on these withholding income tax changes, see our webpage at tax.illinois.gov and search for Film Production Withholding Income Tax or use the QR code shown here.



More updates and resources, along with special instructions for filing Form IL-941, and any new required forms, will be added to the IDOR website as they become available.

Where do I find information about the Illinois Film Production Services Tax Credit?

For more information regarding the Film Production Services tax credit eligibility and requirements, see the DCEO website at dceo.illinois.gov.