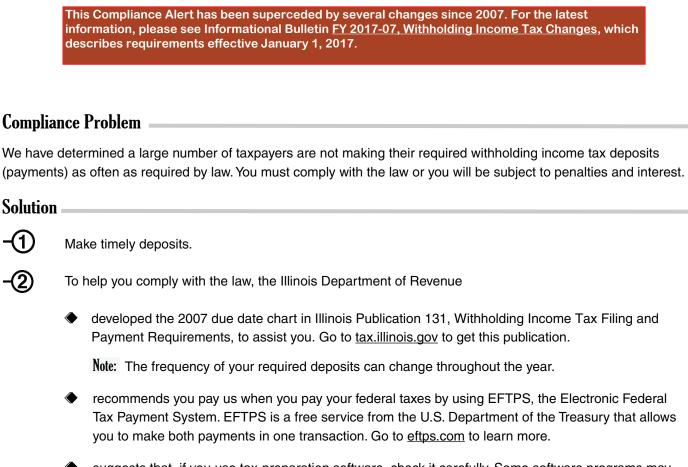
COMPLIANCE ALERT



March 2007

tax.illinois.gov 1 800 732-8866 217 782-3336 TDD 1 800 544-5304



suggests that, if you use tax-preparation software, check it carefully. Some software programs may not be set up to make your Illinois Withholding Income Tax deposits on time.

Background

We initially identified more than 15,000 taxpayers who did not make their required payments on time and sent them notices. Taxpayers who responded were confused about when payments should be made — even though some knew they should be paying more often. Taxpayers also told us they did not realize

- tax is considered withheld at the time they pay their employees,
- tax withheld accumulates until it is paid to us, and
- payments are due even when they do not receive any or enough preprinted payment vouchers.

We will continue to check that withholding payments are made in a timely manner. Avoid penalties by making your payments on time.

ELECTRONIC WAYS TO MAKE DEPOSITS

EFTPS Electronic Federal Tax Payment System	 Visit <u>eftps.com</u> and pay both Illinois withholding tax and federal taxes online separately or at the same time and using the same PIN and password. To enroll, go to <u>eftps.com</u> and click on "State Pilot".
EFT Electronic Funds Tranfer	Have the funds transferred from your account to ours through ACH credit or ACH debit.
	To enroll, you must complete Form EFT-1, Authorization Agreement for Electronic Funds Transfer. Go to <u>tax.illinois.gov</u> to get this form.

ELECTRONIC WAYS TO FILE AND MAKE DEPOSITS

TaxNet	File and pay your Illinois Unemployment Insurance Tax and Wage Reports (UI-3/40) and Illinois withholding forms (IL-501, IL-941, and IL-W-3). To enroll, go to <u>tax.illinois.gov</u> .
FSET Federal State Employment Tax	Business taxpayers can file and pay both Illinois withholding and federal employment taxes. Business taxpayers must use a payroll service provider or commercial software to participate.
	To enroll, you must complete Form IL-8633-B, Business Electronic Filing Enrollment. Go to <u>tax.illinois.gov</u> to get this form.



Under Illinois law, you must use an electronic payment method if your annual tax liability meets or exceeds \$200,000.