



informational

Bulletin

David Harris, Director

Personal Exemption Allowance Amount Changes

To: Individuals, employers, payroll service providers, software developers, and payers of gambling and lottery winnings who withhold Illinois Income Taxes

This bulletin summarizes the personal exemption allowance amount change, per P.A. 103-0009

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

Effective June 7, 2023, Public Act 103-0009 maintained the 2022 Individual Income Tax personal exemption allowance at \$2,425 for 2023. **Note:** The Illinois individual income tax rate has **not** changed. The rate remains 4.95 percent.

How do the changes to the personal exemption amount affect employee and payee withholding?

Employers, payroll service providers, and software developers must review the updated [2023 Booklet IL-700-T, Illinois Withholding Tax Tables](#), and apply the new formula for employees who claim allowances. A formula to calculate catch-up withholding has been added as an addendum to the 2023 Booklet IL-700-T.

Employees and payees who are concerned with their withholding amounts for 2023 may complete a new [Form IL-W-4, Employee's and other Payee's Illinois Withholding Allowance Certificate](#), to update their exemption allowances and Illinois withholding.

Individual taxpayers who make estimated payments and typically annualize their income, may need to increase their payment amounts for the third and fourth quarters of 2023.

Note: Taxpayers with an adjusted gross income for the taxable year that exceeds \$500,000 with a federal filing status of married filing jointly, or \$250,000 for all other returns, are not entitled to personal exemption allowances and are not affected by this change.

Where can I find more information?

For additional information on updated 2023 withholding income tax amounts and how to calculate catch-up withholding for the remainder of the tax year, see the updated 2023 Booklet IL-700-T on our website at tax.illinois.gov.

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

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