



# Publication 131

November 2011

## Withholding Income Tax Payment and Filing Requirements

The information in this publication is current as of the date of the publication. Please visit our web site at **tax.illinois.gov** to verify you have the most current revision.

This publication is written in the plain English style so the tax information is easier to understand. As a result, we do not directly quote Illinois statutes and the Illinois Administrative Code. The contents of this publication are informational only and do not take the place of statutes, rules, and court decisions.

### For information or forms

- Visit our website at **tax.illinois.gov**
- Call **1 800 732-8866** or **217 782-3336**
- Call our TDD (telecommunications device for the deaf) at **1 800 544-5304**
- Call our 24-hour Forms Order Line at **1 800 356-6302**

### About this publication

This publication is about paying and reporting Illinois withholding income tax. You need to know this information if you are an employer or withholding agent. Beginning January 1, 2012, we have an additional payment and return schedule, bringing the total to four.

The objectives of this publication are to explain

- when and how to make your payments and file your returns, and
- the different payment and return schedules.

**Related publications:** Publication 121, Illinois Income Tax Withholding for Household Employees, and Publication 130, Who is Required to Withhold Illinois Income Tax. See Booklet IL-700-T, Illinois Withholding Income Tax Tables, to calculate withholding.

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### Taxpayer Bill of Rights

You have the right to call the Department of Revenue for help in resolving tax problems.

You have the right to privacy and confidentiality under most tax laws.

You have the right to respond, within specified time periods, to department notices by asking questions, paying the amount due, or providing proof to refute the department's findings.

You have the right to appeal department decisions, in many instances, within specified time periods, by asking for department review or by taking the issue to court.

If you have overpaid your taxes, you have the right, within specified time periods, to a credit (or, in some cases, a refund) of that overpayment.

For more information about these rights and other department procedures, you may write us at the following address:

Problems Resolution Office  
Illinois Department of Revenue  
PO Box 19014  
Springfield, IL 62794-9014

# General Information

## When am I required to pay?

Your payment due dates are determined by two things:

- the schedule we assign to you each year, and
- the date of your payroll.

You are assigned to either a semi-weekly, monthly, or annual payment schedule based on the “look-back” period described below. You must make payments (Form IL-501s) based on the appropriate schedule after you make a payroll.

You may pay more frequently using one of our electronic methods or a Payment Coupon (Form IL-501). Do not use your return (Form IL-941, Illinois Withholding Tax Return) to pay more frequently.

Withholding income tax is not considered withheld until the date you pay your employees.

## What is the “look-back” period?

Payment and return due dates are determined by the total amount withheld during the “look-back” period, which is the one-year period ending on June 30 of the immediately preceding calendar year. For calendar year 2012, the look-back period is July 1, 2010, through June 30, 2011.

## When am I required to file Form IL-941?

### Quarterly return filers:

You must file your IL-941 return quarterly if you

- are required to make semi-weekly payments of withholding,
- have been registered for less than 18 months, **or**
- have any unresolved compliance problems (unpaid balance, non-filed return, etc.).

Quarterly returns are due the last day of April, July, and October, of current calendar year, and January of the following year. For example, for calendar year 2012, returns are due April, July, and October of 2012, and January of 2013.

Quarterly filers do **not** file an annual return.

### Annual return filers:

If you are assigned to the annual return schedule, your IL-941 return is due by **January 31, of the year immediately**

**following the calendar year.** Unless you received notification from us that you are allowed to file an annual return for the year, you must file quarterly returns.

If you are in good standing with the department, we may assign you to this easy way of paying and filing.

**Note** If you are assigned to the annual payment and return schedule, you may **elect to file** quarterly returns and make monthly payments. To do so, you must file Form IL-941 for any quarter of the year, report the total amount withheld, and pay all amounts withheld from January 1 through the end of this quarter. You then must begin making monthly payments and filing quarterly returns for the remainder of the year.

## How may I pay or file?

File your Form IL-941 and pay your IL-501 on the schedule we have assigned to you. **Taxpayers assigned to the semi-weekly schedule must make all payments electronically.**

We encourage all taxpayers to file and pay electronically using one of the available options. Visit our website at [tax.illinois.gov](http://tax.illinois.gov) for more information regarding your electronic options. For example, you may use **WebFile** and **WebPay** - our free, online programs designed to be easy, convenient, and fast ways for you to electronically submit your payments or returns at any time. You can schedule the dollar amount, debit date, and tax period for your payments. No software is required and it is available 24 hours a day, 7 days a week.

If you cannot use an electronic method, paper forms are available for download from our website at [tax.illinois.gov](http://tax.illinois.gov).

**Note** **Make separate payments if liability is for two separate quarters.**

If you are assigned to the semi-weekly payment and quarterly return schedule, and your tax withheld is from two different quarters, you must send us two separate payments (IL-501). Be sure to identify the quarter to which each payment applies. Otherwise, we will apply your payments to one quarter only, which may result in a penalty.

**For example:** If you pay one half of your employees on Saturday, June 30, 2012, and the other half of your employees on

Sunday, July 1, 2012, both payments are due on Friday, July 6, 2012. However, the payday of June 30 is in the 2nd quarter and the payday of July 1, 2012, is in the 3rd quarter. Therefore, two separate payments are required.

**Note** **Make separate payments if liability is for two separate years.**

For more information about penalties and interest, see Publication 103, Penalties and Interest for Illinois Taxes.

## What if I am filing my first IL-941 return?

If you are filing your first return, check the appropriate box on Form IL-941, Step 1.

## What if my business name or address has changed?

If your business name or address has changed from your last return, check the appropriate box on Form IL-941, Step 1.

## What if I no longer have employees or my business has closed?

If you are a seasonal business and will be opening back up during the next year, continue to file your returns. Even if you do not pay any wages or withhold any tax, you must still file a return.

If your business has **permanently** stopped withholding because 1) it has closed or 2) you no longer pay wages, check the box on Form IL-941, Step 2, B, and write the date you stopped paying wages. Do not forget to file a final return.

## What if my due date falls on a weekend or state recognized holiday?

Any time a due date falls on a weekend or state recognized holiday, we adjust the due date to the next business day.

## Descriptions of the four payment and return schedules

### Semi-weekly Payment / Quarterly Return

Taxpayers who, during the “look-back” period, reported more than \$12,000 in withholding, are assigned to the semi-weekly payment and quarterly return schedule.

Semi-weekly payments are required to be made **electronically**. Generally, payments are due three to seven days after every payroll.

A return is due each quarter even if there is no tax withheld (for example, seasonal businesses). On the return, total all information for the quarter and be sure to sign it. Do not file an annual return.

**Note** Illinois follows the federal rule that allows you at least three banking days to make your payments after you withhold tax. For example, if you withhold tax on a Friday and Monday is a holiday, your payment is due on Thursday rather than Wednesday.

Semi-weekly Payment and Quarterly Return Schedule	
<b>Must pay electronically</b>	<b>File</b> your return electronically or use Form IL-941 by
<b>Wednesday</b> for amounts withheld on the preceding Wednesday, Thursday, or Friday, and	<b>the last day</b> of April, July, October, and January.
<b>Friday</b> for amounts withheld on the preceding Saturday, Sunday, Monday, or Tuesday.	

### Monthly Payment / Quarterly Return

Taxpayers who have been registered less than 18 months, or have a compliance problem (underpayment, missing return, etc.), **and** reported \$12,000 or less in withholding during the “look-back” period, are assigned to the monthly payment and quarterly return schedule.

You must pay all amounts withheld during the month by the 15th day of the following month. We encourage you to use an electronic method to make your payments.

A return is due each quarter even if there is no tax withheld (for example, seasonal businesses). On the return, total all information for the quarter and be sure to sign it. Do not file an annual return.

**Important:** If you exceed \$12,000 in withholding during any quarter, your payments are required to be made **electronically** using the semi-weekly payment and quarterly return schedule in the following quarter, the remainder of the year, and the subsequent year.

Monthly Payment and Quarterly Return Schedule	
<b>Pay</b> electronically or use Form IL-501 by	<b>File</b> your return electronically or use Form IL-941 by
<b>15th of each month</b> for amounts withheld in the preceding month.	<b>the last day</b> of April, July, October, and January.

### Monthly Payment / Annual Return\*

Taxpayers who have been registered for the full “look-back” period, are in good standing, and reported more than \$1,000 but no more than \$12,000 in withholding are assigned to the monthly payment and annual return schedule.

You must **pay** all amounts withheld during the month by the 15th day of the following month. We encourage you to use an electronic method to make your payments.

You must **file** your return by January 31. On the return, total all information for the year and be sure to sign it. We encourage you to use electronic methods.

Monthly Payment and Annual Return Schedule	
<b>Pay</b> electronically or use Form IL-501 by	<b>File</b> your return electronically or use Form IL-941 by
<b>15th of each month</b> for amounts withheld in the preceding month.	<b>January 31</b> of the following year for amounts withheld the entire year.

### Annual Payment / Annual Return\*

Taxpayers who, during the “look-back” period, reported \$1,000 or less in withholding and are in good standing with the department, are assigned to the annual payment and return schedule.

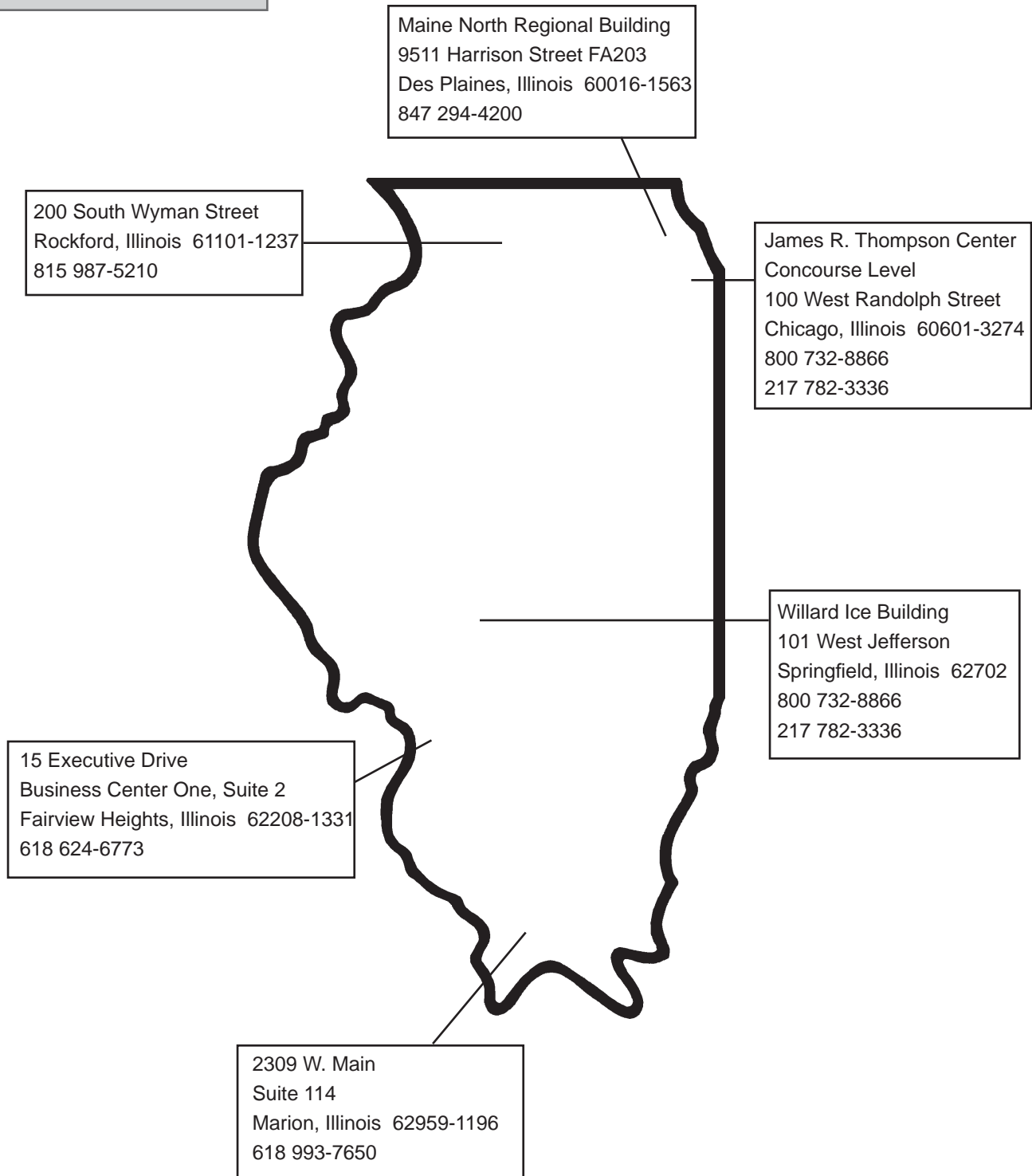
You must **pay** all amounts withheld during the calendar year by the due date of your return. You must **file** your return by January 31. We encourage you to use electronic methods. Do not forget to sign your return.

Annual Payment and Annual Return Schedule	
File and pay <b>electronically</b> or use Form IL-941 by	
<b>January 31</b> of the following year for amounts withheld the entire year.	

#### \* Important information for Annual Return Filers (Monthly or Annual Payors):

- **You may elect to file quarterly returns and make monthly payments.** To do so, file Form IL-941 for any quarter of the year, report the total amount withheld, and pay all amounts withheld from January 1 through the end of this quarter. However, you then must begin making monthly payments and filing quarterly returns for the remainder of the year or you may be subject to penalty.
- **If you exceed \$12,000 in withholding during any quarter,** you must file Form IL-941 and electronically pay all withholding income tax from January 1 to the end of this quarter, using this quarter’s due date, and continue filing quarterly returns and making semi-weekly payments throughout the following quarter, the remainder of the year, and the subsequent year.

## Office locations



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