**Illinois Payroll Taxes**

**IL State Income Tax Withholding**

<https://tax.illinois.gov/research/taxinformation/withholdingincometax.html>

**Who Must Withhold IL State Income Taxes**

An employer that pays wages or other compensation to employees for services performed within IL State is required to register with the IL Department of Revenue for a withholding account. Register using the MyTax Illinois website: <https://mytax.illinois.gov/_/>. MyTax Illinois may also be used to electronically pay Illinois income tax withheld, unemployment insurance tax due, electronically file tax returns or unemployment insurance reports, and manage tax accounts.

All withholding taxpayers are assigned to one of two payment due date schedules: semi-weekly or monthly. New taxpayers are automatically assigned to the monthly payment schedule and quarterly filing schedule.

Monthly Illinois withholding income tax payments are due by the 15th day of the following month. Taxpayers who report more than $12,000 in withholding during a quarter are assigned to the semi-weekly payment schedule. Semi-weekly payments are due three to seven days after every payroll.

Illinois withholding is reported on Form IL-941, *Illinois Withholding Income Tax Return.* All Form IL-941 returns are due quarterly by the last day of the month that follows the end of the quarter. You must file Form IL-941 even if no tax was withheld during the reporting period. All Forms IL-941 must be filed electronically.

W-2s must be submitted to the Illinois Department of Revenue no later than January 31 of the year following the year of the withholding. Electronic filing of Forms W-2 and W-2c is *mandatory*. The Illinois Department of Revenue does not accept Forms W-2 and W-2c that are submitted by mail.

**IL W-4 Requirements**

Employees must complete Form IL-W-4, Employee’s Illinois Withholding Allowance Certificate: <https://tax.illinois.gov/content/dam/soi/en/web/tax/forms/withholding/documents/currentyear/il-w-4.pdf>

**IL State Unemployment Insurance**

In general, workers are covered by the unemployment law of the state in which the work is performed. Register for a UI account with the IL Department of Employment Security (IDES) electronically through the MyTax Illinois website at the same time you register for an IL withholding account.

IL allows an employing agency that is exempt from FUTA (e.g., a governmental entity) to elect to self-pay via the reimbursable method (the agency is billed for its share of unemployment benefits paid to former employees). The election is made on the initial registration. Please be advised that all Washington State Community and Technical Colleges have selected the Reimbursable method for Washington unemployment insurance. Whenever possible, it is recommended as a best practice for colleges to adopt the same approach for their non-Washington state unemployment insurance method.

Employers must file wage reports (Form UI-3/40) in the month after the close of each calendar quarter. Due dates are on or before April 30, July 31, October 31, and January 31. Quarterly UI 3/40 reports may be filed electronically via the MyTax Illinois website.

IL has adopted the Interstate Reciprocal Coverage Arrangement for unemployment insurance. Under this arrangement, if an employee works in more than one state, an employer may elect to cover all the services of such a worker in any state in which: (1) any part of the worker's service is performed, (2) the worker has his or her residence, or (3) the employer maintains a place of business. The agreement should be initiated through the state where the employer wants to report the payroll. A Washington employer may request to elect reciprocal coverage with another state by following the filing process outlined by Washington Administrative Code 192-300-150: <https://app.leg.wa.gov/wac/default.aspx?cite=192-300-150>.

**IL State Workers’ Compensation**

Most employees who are hired, injured, or whose employment is localized in the State of Illinois are covered by the Illinois Workers’ Compensation Act. These employees are covered from the moment they begin their jobs. Employers must purchase workers’ compensation insurance or obtain permission to self-insure from the Illinois Workers’ Compensation Commission.

Washington State Department of Enterprise Services (DES) administers a Workers' Compensation Insurance program for state workers. If your employee works outside of Washington in a single other state for more than 30 days (240 hours) per year, **your agency must work with DES** to insure your out-of-state employee. For more information, contact Kimberly Haggard kimberly.haggard@des.wa.gov at DES Risk Management.

**IL State Paid Family / Medical Leave**

Illinois does not have a paid family and medical leave program as of 01/22/2025.

Washington Paid Family & Medical Leave (PFML) and Washington Cares benefits are not available to employees who are physically working in Illinois. Agencies with WA PFML or WA Cares policy questions may email Washington Employment Security Department at esddlpfmlpolicy@esd.wa.gov.

**Helpful resources for Illinois**

IL Department of Revenue Withholding Contact phone number for questions:

1-800-732-8866 or 1-217-782-3336

IL DOR Publication 130 *Who is Required to Withhold Illinois Income Tax:* <https://tax.illinois.gov/content/dam/soi/en/web/tax/research/publications/pubs/documents/pub-130.pdf>

MyTax Illinois Guide for Filing Forms W-2 and 1099: <https://tax.illinois.gov/content/dam/soi/en/web/tax/programs/electronicservices/documents/my-tax-guide-filing-forms-w2-and-1099.pdf>

IL DOR Publication 110 *Forms W-2, W-2c, W-2G, and 1099 Filing and Storage Requirements for Employers and Payers, including New 1099-K Electronic Filing Requirements:* <https://tax.illinois.gov/content/dam/soi/en/web/tax/research/publications/pubs/documents/pub-110.pdf>

IL Department of Employment Security (IDES) employer resources website: <https://ides.illinois.gov/employer-resources.html>

IDES Employer Services Center hotline: 800-247-4984

Illinois Workers’ Compensation Commission employers’ website: <https://iwcc.illinois.gov/resources/resources-for-employers.html>

Illinois Workers’ Compensation information questions:

 Telephone 312-814-6500

 Email wcc.compfile@illinois.gov

IL Withholding payment mailing address:

Illinois Department of Revenue
PO Box 19447
Springfield, Illinois 62794-9447

IL Unemployment Insurance payment mailing address:

Illinois Director of Employment Security

PO Box 19300

Springfield, IL 62794-9300