

**Illinois Department of Revenue
Regulations**

Title 86 Part 100 Section 100.7100 Withholding Exemption (IITA Section 702)

TITLE 86: REVENUE

**PART 100
INCOME TAX**

Section 100.7100 Withholding Exemption (IITA Section 702)

- a) **General Rules.** An employee is entitled to a withholding exemption equal to the basic amount under IITA Section 204 and Section 100.2055 of this Part multiplied by the number of withholding exemptions to which he or she is entitled for federal income tax withholding purposes plus additional exemptions in the amounts allowed under IITA Section 204 and Section 100.2055. Since the Act does not provide for itemized deductions for individuals in the computation of net income, no additional withholding allowances based on those deductions (as provided under 26 USC 3402(m)) are permitted.
- b) **Married Employees.** A married employee may not claim a withholding exemption for any dependent (as defined in 26 USC 152) unless, if he or she filed a separate federal income tax return, he or she could claim that dependent on that separate return. He or she may claim any withholding exemption to which his or her spouse may be entitled (except for dependents) for federal withholding purposes if the spouse has not claimed that exemption on an Illinois withholding exemption certificate. However, a married employee is not entitled to claim any withholding exemption in respect of a spouse unless they expect to file a joint Illinois income tax return.
- c) **Examples.** Section 100.7100(a) and (b) may be illustrated by the following examples:
 - 1) **EXAMPLE 1:** A and B are married and intend to file separate federal returns. A and B are residents of Illinois. A, is employed and works for a company in State X. None of the compensation received from his employer is subject to Illinois withholding (see Section 100.7010). B works in Illinois and her salary is subject to Illinois withholding. For federal withholding purposes, A claims no exemption and B claims two exemptions, one for herself and one for her spouse, who has not claimed a withholding exemption for himself on a federal withholding exemption certificate filed with his employer. Under IITA Section 502(c), A and B must file a return in Illinois on a separate basis. B may claim only one withholding exemption for Illinois withholding purposes (i.e., her own exemption) even though she is entitled to claim two exemptions for federal withholding purposes.
 - 2) **EXAMPLE 2:** Assume the same facts as Example 1, except that A and B have both attained the age of 65. Accordingly, B claims four withholding exemptions for federal purposes. However, for Illinois withholding purposes B may claim only her own two exemptions; one exemption equal to the basic amount for herself and one additional \$1,000 exemption for having attained the age of 65.
 - 3) **EXAMPLE 3:** Assume the same facts as Example 1, except that A and not B

claims the two exemptions on a federal withholding exemption certificate. B is entitled to claim one withholding exemption (her own) for Illinois withholding purposes. However, if A and B expect to file a joint federal return and accordingly a joint Illinois return, B may claim two withholding exemptions for Illinois withholding purposes.

- 4) EXAMPLE 4: Assume the same facts as Example 1, except that A has two dependents who qualify as his dependents under 26 USC 152. Only A may claim these dependents as withholding exemptions for both federal and Illinois purposes.

(Source: Amended at 41 Ill. Reg. 14217, effective November 7, 2017)