

**Illinois Department of Revenue
Regulations**

**Title 86 Part 100 Section 100.7310 Returns Filed and Payments Made on
Annual Basis (IITA Sections 704 and 704A)**

**TITLE 86: REVENUE
CHAPTER I: DEPARTMENT OF REVENUE
PART 100**

Section 100.7310 Returns Filed and Payments Made on Annual Basis (IITA Sections 704 and 704A)

- a) With respect to taxes withheld or required to be withheld prior to January 1, 2008:
 - 1) In general. Effective January 1, 2005, if an employer had no obligation to deduct and withhold Illinois income tax in the previous calendar year or if the amount of tax deducted and withheld during the previous calendar year was less than \$500 and, in either case, the amount that will be deducted and withheld in the current calendar year will be less than \$500, the employer may file an annual return for the current calendar year or for any period for which a return is made as a final return. No application need be made to file an annual return. The return filed for such period shall report the amount of tax deducted and withheld during the period and not previously remitted. Form IL-941 is prescribed for making the return authorized under this subsection (a). An employer shall use Form W-3 to submit the information contained on the combined Form W-2, in the same manner as required under Section 100.7300.
 - 2) Duration of annual filing status. Authority to file a return pursuant to this Section shall remain in effect until that time during any calendar year when the amount of tax deducted and withheld equals or exceeds \$500. When, during any calendar year, the amount deducted and withheld equals or exceeds \$500, an employer must file a quarterly return, as required under Section 100.7300(a), for the quarter in which that event occurs and for all subsequent quarters until the requirements of subsection (a)(1) are again met by the employer.
- b) With respect to any calendar year beginning on or after January 1, 2008 and ending prior to January 1, 2012:
 - 1) An employer who has timely filed all returns due under IITA Sections 704 or 704A during the look-back period for a calendar year, reporting on those returns a total liability of \$1,000 or less, and who timely paid the amounts reported, may file a single annual return for that calendar year

and pay the tax required to be withheld during that calendar year when that return is due. An employer who was not required to file returns during the look-back period is not eligible under this subsection (b)(1) to make annual filings or payments. (See IITA Section 704A(d)(1).)

- 2) Any employer that is eligible to make an annual filing and payment for a calendar year under subsection (b)(1) and who withholds or is required to withhold more than \$12,000 in any quarter of that year must:
 - A) make a quarterly return for that quarter, reporting and paying all amounts withheld or required to be withheld during the year through the end of that quarter with that return;
 - B) make a quarterly return for each subsequent quarter of that calendar year and for each quarter of the following calendar year; and
 - C) make semi-weekly payments of taxes withheld or required to be withheld during the remaining quarters of that calendar year and during the following calendar year. (See IITA Section 704A(c)(2).)
 - 3) An employer that is eligible to make an annual filing and payment under subsection (b)(1) for any calendar year after 2008 may elect to file quarterly returns under Section 100.7300(a) and make monthly payments under Section 100.7300(d)(2) by filing a return for any quarter of that year. Payment of all amounts withheld or required to be withheld through the end of that quarter shall be due with the filing of that return, and the employer shall be required to make monthly payments and quarterly returns for the remainder of that year, unless Section 100.7300(d)(1)(B) requires semi-weekly payments.
- c) With respect to any calendar year beginning on or after January 1, 2012 and ending prior to January 1, 2017:
- 1) An employer who has timely filed all returns due under IITA Section 704A during the look-back period for a calendar year, reporting on those returns a total liability of \$12,000 or less, and who timely paid the amounts reported, may file a single annual return for that calendar year. An employer who was not required to file returns during the look-back period is not eligible under this subsection (c)(1) to make annual filings. (See IITA Section 704A(d)(1).)
 - 2) An employer who is allowed to file an annual return for a calendar year under subsection (c)(1) and who reported a total liability of \$1,000 or less on returns filed during the look-back period for that year may pay the tax

required to be withheld during that calendar year when that return is due. (See IITA Section 704A(d)(1).)

- 3) Any employer who is eligible to make an annual filing for a calendar year under subsection (c)(1) and who withholds or is required to withhold more than \$12,000 in any quarter of that year must:
 - A) make a quarterly return for that quarter, reporting and paying all amounts withheld or required to be withheld during the year through the end of that quarter with that return;
 - B) make a quarterly return for each subsequent quarter of that calendar year and for each quarter of the following calendar year; and
 - C) make semi-weekly payments of taxes withheld or required to be withheld during the remaining quarters of that calendar year and during the following calendar year. (See IITA Section 704A(c)(2).)
 - 4) An employer who is eligible to make an annual filing under subsection (c)(1) for any calendar year after 2011 may elect to file quarterly returns under Section 100.7300(a) by filing a return for any quarter of that year. Payment of all amounts withheld or required to be withheld through the end of that quarter shall be due with the filing of that return, and the employer shall be required to make monthly payments and file quarterly returns for the remainder of that year, unless Section 100.7300(d)(1)(B) requires semi-weekly payments.
 - 5) An employer who is eligible to make an annual payment under subsection (c)(2) for any calendar year after 2011 may make payments during that calendar year and, unless an election to file quarterly returns is made under subsection (c)(4) for that year, file an annual return for that year.
- d) With respect to any calendar year beginning on or after January 1, 2017, no annual filings or payments made on an annual basis are permitted, except as provided in Section 100.7350.

(Source: Amended at 41 Ill. Reg. 4193, effective March 27, 2017)