Guidelines for Quarter-monthly (Accelerated) Payments*

Who must make quarter-monthly (accelerated) payments?

You must make quarter-monthly (accelerated) payments if your average monthly tax liability has met the statutory threshold for your specific account type during the previous four quarters (if applicable). Statutory thresholds can be found on the Illinois Department of Revenue's website at tax.illinois.gov. We automatically notify you when this occurs. If the statute for your specific account type allows, and your average monthly tax for the previous four quarters falls below the amount required, we will remove this quarter-monthly (accelerated) payment requirement and notify you of the change.

What are quarter-monthly (accelerated) payments?

Quarter-monthly (accelerated) payments are payments that you are required to make four times a month. These payments are due on the 7th, 15th, 22nd, and last day of the month. If the date falls on a weekend or holiday, then your payment is due the next business day. Your monthly tax returns and any remaining payment is due on or before the due date printed on your return.

How much must I pay?

You may choose one of the following options to determine your payments for the month:

Option 1 - a minimum of 22.5 percent of the actual liability for the current month
Option 2 - a minimum of 25 percent of the actual liability for the same month of the preceding year

Note: We use Option 2 to figure the payment amount shown on the schedule or forms that we send to you.

For example:

In January, your business had weekly sales tax collections of $2,000, $12,000, $8,000, and $4,000 for a total of $26,000 for the current month. Last year, your tax collections for the same month totaled $24,000.

If you choose Option 1, you are required to pay a minimum of 22.5 percent (.225) of the actual liability for the current month. To figure the amount of your required payments, multiply the total sales tax you anticipate will be collected for the current month by 22.5 percent ($26,000 X .225 = $5,850). Below is an illustration of the minimum payment amount required under Option 1.

<table>
<thead>
<tr>
<th>January 7th</th>
<th>January 15th</th>
<th>January 22nd</th>
<th>January 31st</th>
<th>Total sales tax for January</th>
<th>Tax due with Form ST-1 due February 20th</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,850</td>
<td>$5,850</td>
<td>$5,850</td>
<td>$5,850</td>
<td>$23,400</td>
<td>$2,600</td>
</tr>
</tbody>
</table>

Note: If your estimated payments are below 22.5 percent of the actual liability for the month, you may be subject to penalties and interest.

If you choose Option 2, you are required to pay a minimum of 25 percent (.25) of the actual liability for the same month of the preceding year. To figure the amount of your required payments, multiply the total sales tax collected for the same month of the preceding year by 25 percent ($24,000 X .25 = $6,000). Below is an illustration of the minimum payment amount required under Option 2.

<table>
<thead>
<tr>
<th>January 7th</th>
<th>January 15th</th>
<th>January 22nd</th>
<th>January 31st</th>
<th>Total sales tax for January</th>
<th>Tax due with Form ST-1 due February 20th</th>
</tr>
</thead>
<tbody>
<tr>
<td>$6,000</td>
<td>$6,000</td>
<td>$6,000</td>
<td>$6,000</td>
<td>$25,200</td>
<td>$1,200</td>
</tr>
</tbody>
</table>

* These guidelines do not apply to prepaid sales tax (PST) payments that you report on Form PST-1.
How do I make my payments?

Your quarter-monthly (accelerated) schedule is available through your MyTax Illinois account and will show the payment amount (figured using Option 2 above), the payment due dates, and the liability period to which each payment applies. Most taxpayers are required to submit their quarter-monthly (accelerated) payments electronically either online through MyTax Illinois or by using our Electronic Funds Transfer (EFT) program.

**Note:** If you choose to use an electronic payment method other than MyTax Illinois, you must first register for the EFT program. For information about EFT requirements or for EFT registration information, please call us at 217 782-6257.

What happens if I overpay my final liability?

If your quarter-monthly (accelerated) payments exceed the total liability for the month shown on your tax return, you will have a credit (“prior overpayment”) which you may apply against existing or future liabilities. You can use your credit in the following ways:

- To apply a prior overpayment as a quarter-monthly (accelerated) installment that you pay electronically, at least one day before the payment due date, fax us a copy of your Taxpayer Statement, verifying this credit is available. Tell us the amount of credit that you would like to use and to what payment you would like it applied. Fax this information to us at 217 524-8282. Reduce the amount of funds you transfer for that payment by the credit amount you tell us to use.
- To apply a prior overpayment as a quarter-monthly (accelerated) installment that you pay by mail, enter the amount on Line 1, credit amount of your Quarter-monthly (Accelerated) Payment Voucher. Reduce your payment by the amount of credit you wish to use. Include this credit in the amount that you report on the applicable line of your return.
- To apply a prior overpayment as any remaining liability due on your monthly return, reduce your payment by the amount of the prior overpayment you wish to use. Enter the prior overpayment on the appropriate line on your tax return.
- To apply a prior overpayment as an outstanding Final Notice of Tax Due, or Notice of Tax Liability, enter on the notice the amount of prior overpayment you wish to use.

What happens if my payments are late or underpaid?

If you make your payments late or you underpay, you may owe penalty and interest. We will apply payments in the order received. This minimizes the possibility of penalty and interest charges. We will bill you for any penalties and interest. For additional information, see Publication 103, Penalties and Interest for Illinois Taxes at tax.illinois.gov.

Can quarter-monthly (accelerated) requirements be waived?

We will consider a written request for waiver of the quarter-monthly (accelerated) payment requirement if the statute for your specific tax type allows waivers of this requirement. We will consider allowing a waiver in the following instances:

- you sold or lost a portion of your business,
- you made unusual purchases that resulted in a large, one-time payment of use tax during the calculation period, or
- you expect to pay a reduced amount of tax due to a recent law change.

Your request for a waiver must include estimates of your future monthly tax liability.

Questions?

If you have questions or would like to request a waiver of quarter-monthly (accelerated) requirements, please write us or call our Springfield office weekdays between 8:00 a.m. and 4:30 p.m. Our address and telephone number are below.

SALES TAX PROCESSING DIVISION 2-242
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19013
SPRINGFIELD IL 62794-9013

217 782-5906