

Illinois Department of Revenue  
Roger D. Sweet, Director  
101 West Jefferson Street  
Springfield, Illinois 62794

INFORMATIONAL BULLETIN FY88-8

TO: Registered Withholding Agents of Illinois Income Tax  
SUBJECT: Withholding Tax Coupon Booklet and Filing Requirements for  
1988

Here is your 1988 Withholding Tax Coupon Booklet. Please take a moment to check it over to make sure that your forms show your correct name, address, and federal employer identification number.

GENERAL INFORMATION:

If your federal employer identification number is wrong, notify us immediately so that we may have our vendor prepare a new booklet for you. DO NOT use the coupons in the enclosed booklet if they are incorrect in any way.

The Employer's Withholding Tax Forms Booklet contains your withholding payment for the entire year. The quantity is based on your present filing requirement, which is shown on the front cover of the withholding booklet. This is how often you are currently required to file for 1988. To avoid any nonfiler notices or unnecessary bills please file accordingly.

If an increase in your withholding amount necessitates a change in your filing requirements (see page 2 and 3 of the booklet for filing requirements), please use Form NUC-16 (enclosed in the booklet) to request this change and to order additional forms.

Please notify the Department in the event of any change of your business tax name or address. You may use Form NUC-16 (enclosed in the booklet) to notify the Department of this change.

SPECIAL NOTE TO:

ANNUAL FILERS

If your accumulated withholding should exceed \$500 at any time during the year, you must pay your withheld tax on a quarterly, monthly, or quarter-monthly basis, depending on how much you have accumulated in unpaid withholding.

QUARTERLY FILERS

If you are an employer who has not permanently ceased doing business and have paid any compensation requiring withholding for the quarter, you must still complete Form IL-941 reporting zeros on line 1 and 2.

## QUARTER-MONTHLY AND SEMI-MONTHLY FILERS

The law requires you to make a payment within 3 banking days of the end of any "quarter-monthly period" during which you have accumulated at least \$1,000 in unpaid withholding (Illinois Income Tax Act, Sec. 704(b)). Quarter-monthly periods ends on the 7th, 15th, 22nd, and last day of each month. Withholding tax is considered to have "accumulated" at the end of a payroll period.

For example, if your pay periods are semi-monthly ending on the 15th and last day of each month, and if you accumulate \$2,500 in Illinois withholding during each pay period, you are required to make one \$2,500 payment (accompanied by Form IL-501) by the 18th of each month (or 3 banking days following the 15th) and another similar payment by the 3rd of the following month (3 banking days following the end of the month).

Depending on the number of payroll periods and the amount of accumulated withholding, you could be required to make as many as four Illinois withholding tax payments a month, each accompanied by Form IL-501. You must file Form IL-941 at the end of the quarter, even if you have already paid all the withholding to the Department.

Remember, if you do not make your Illinois withholding tax payments as often as the law requires, you will be subject to a penalty as well as interest on the late payments. See your Form IL-700 (Illinois Income Tax Act Withholding Tax Guide and Withholding Tables) for more information.

## A FEW REMINDERS TO AVOID PROBLEMS WITH YOUR ACCOUNT

Following is a summary of some items that account for many of the errors we find on withholding tax forms and payments. Please take a moment to look them over.

- Please use the return mailing labels in the front of your 1988 withholding coupon booklet. Different labels are provided for IL-501/IL-941, NUC-16 and IL-W3's. DO NOT use labels from prior year booklets.
- Please DO NOT use your 1988 forms (IL-501 and IL-941) to transmit 1987 payments, and vice versa.
- Remember to file a quarterly return (Form IL-941) for each quarter (unless the front of your coupon booklet indicates you are an annual filer). You must file the IL-941 even if you have already paid all your withholding for the quarter on IL-501's. If you pay withholding once a month, you should make your THIRD payment of each quarter with Form IL-941, instead of Form IL-501.
- Be sure that you file the correct IL-941 for each quarter. Each form is dated and applies to a specific calendar quarter 1988. If you are an annual filer, disregard the first three IL-941 forms and file the

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IL-941 designated for the fourth quarter by January 31st 1989.

- Make sure all handwriting and typing is legible.

- Always use black ink when completing tax returns. DO NOT use colored pencils and ink,
- Please send the ORIGINAL return and keep a copy for your records.
- Please make sure that your IL-941's and IL-W-3 are signed by a person authorized to do so on behalf of the business. (You DO NOT have to sign IL-501's).
- If you discontinue as a withholding agent, you must notify the department by filing a final IL-941 and checking the "final return" box on the form.
- If you sell or transfer the major part of your business, please refer to page 4 of the Withholding coupon booklet.
- Be sure to make your checks payable to the Illinois Department of Revenue.

If you have questions or need more information, please call or write. The phone numbers and address are provided at the top of this bulletin.

Roger D. Sweet  
Director of Revenue

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