



informational

Bulletin

Constance Beard, Director

Electronic Filing Requirements for Sales and Use Taxes, and Withholding Income Tax

This bulletin is written to inform you of recent changes; it does not replace statutes, rules and regulations, or court decisions.

This bulletin supercedes FY 2018-05 (N-08/17).

For information or forms
Visit our website at:
tax.illinois.gov

Call us at:
1 800 732-8866 or
217 782-3336

Call our TDD
(telecommunications device
for the deaf) at:
1 800 544-5304

To: ♦ All retailers and servicepersons filing Form ST-1, Sales and Use Tax and E911 Surcharge Return, and certain excise and miscellaneous sales and use tax forms, and

♦ Any employer or payer responsible for filing Form IL-941, Illinois Withholding Income Tax Return, Form IL-941-X, Amended Illinois Withholding Income Tax Return, and issuing federal Form W-2, Wage and Tax Statement, to employees or payees.

P.A. 100-0303 provides new electronic filing requirements for Sales and Use Taxes, and Withholding Income Tax.

Sales and Use Tax Changes

What are the new electronic filing requirements for Sales and Use Tax filers?

Effective January 1, 2018, if your annual gross receipts average \$20,000 or more, as determined by the department, you will be required to file the following forms and any related attachments electronically:

- ♦ Form ST-1, Sales and Use Tax and E911 Surcharge Return
- ♦ Form ST-8, Tire User Fee
- ♦ Form ST-4, Metropolitan Pier and Exposition Authority Food and Beverage Tax Return
- ♦ Form ST-14, Chicago Soft Drink Tax Return
- ♦ Form MC-1, Medical Cannabis Cultivation Privilege Tax Return

What if I am required to file electronically and do not?

Under P.A. 100-0303, if you are required to file electronically and do not, the discount or collection allowance for timely filed and paid returns will be disallowed. These discounts include

- ◆ 1.75 percent on Form ST-1,
- ◆ 3 percent discount of the E911 surcharge and assessment fee for the Illinois Telecommunications Access Corporation (ITAC) on Form ST-1, Schedule B,
- ◆ \$0.10 per tire collection allowance for the tire user fee on Form ST-8,
- ◆ 1.75 percent on Form ST-4,
- ◆ 1.75 percent on Form ST-14, and
- ◆ 1.75 percent on Form MC-1.

What if I am required to file electronically, but cannot?

P.A. 100-0303 includes a provision for a waiver of the electronic filing requirement if you do not have internet access or it is a hardship to file electronically. The department will develop forms and procedures that outline how to apply for a waiver in the near future.

Will I be notified if I have to file electronically?

Yes. The department will make the determination as to who qualifies for the new electronic filing requirements and issue a notice to any taxpayer who is required to file electronically.

How do I file electronically?

Currently, you can file Forms ST-1, ST-8, ST-4, ST-14, and MC-1 electronically for free by registering and using MyTax Illinois. Visit our website at **tax.illinois.gov** to register. You can also file Forms ST-1, ST-8, ST-4, and ST-14 electronically using a direct file service through an outside vendor.

Withholding Income Tax Changes

What are the changes for Withholding Income Tax?

P.A. 100-0303 gives the department the authority to require the electronic filing of

- ◆ Form IL-941, Illinois Withholding Income Tax Return,
- ◆ Form IL-941-X, Amended Withholding Income Tax Return, and
- ◆ federal Form W-2, Wage and Tax Statement.

How do I file electronically?

Currently, you can voluntarily file Forms IL-941 or IL-941-X electronically for free by registering and using MyTax Illinois. Visit our website at tax.illinois.gov to register. Form IL-941 may also be filed electronically through third-party software vendors participating in the Federal/State Employment Tax (FSET) program.

The department already requires certain large employers to file their Forms W-2 by magnetic media or electronically if they are required to do so federally. For Forms W-2, employers may transmit through third-party services or the department's Electronic W-2 Transmittal Program. This requirement has not changed, but may be expanded in the future as new rules are written.