



# *Informational*

## *Bulletin*

David Harris, Director

## What's New for Illinois Income Taxes

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

### For information or forms

Visit our website at:  
[tax.illinois.gov](http://tax.illinois.gov)

File your return online at:  
[mytax.illinois.gov](http://mytax.illinois.gov)

### Email us at:

- Individual income tax questions:  
[REV.TA-IIT@illinois.gov](mailto:REV.TA-IIT@illinois.gov)
- Business and withholding income tax questions:  
[REV.TA-BIT-WIT@illinois.gov](mailto:REV.TA-BIT-WIT@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

### Hours:

Monday through Friday,  
8:00 a.m. - 5:00 p.m.

This bulletin summarizes changes for

- 2022 Illinois Income Tax forms and schedules for individuals and businesses,
- 2023 Withholding Income Tax forms and schedules, and
- tax preparers and software developers.

## General Tips and Information for the Filing Season

- The Illinois Department of Revenue's (IDOR) taxpayer assistance number is available for tax-related inquiries, and includes automated menus allowing taxpayers to check the status of a refund, identify a PIN, or receive estimated payment information without having to wait for an agent.
- We continue to use and increase enhanced efforts to protect taxpayers from identity theft and tax fraud. Our highly successful methods combat criminal activity and our objective is to get your tax refund to you as quickly as possible.
- Income tax filing and payment relief is available for individuals and businesses affected by Hurricane Ian which occurred in September 2022. See the [Taxpayers Affected by Hurricane Ian news article](#) on IDOR's website for more information.
- **We've made changes to MyTax Illinois to make filing the 2022 Form IL-1040 even easier.**
  - Simple question and answer format
  - Automated calculations and prepopulated information to reduce errors
  - And moreMyTax Illinois is our free electronic account management program. Visit [mytax.illinois.gov](http://mytax.illinois.gov) to determine eligibility and get started.

## What are the changes to the 2022 Form IL-1040, Illinois Individual Income Tax Return, and schedules?

- The 2022 personal exemption amount is \$2,425.
- The original due date for filing your 2022 Form IL-1040 and paying any tax you owe is April 18, 2023. The extended due date for filing your return is October 16, 2023.
- Quarterly 2023 estimated payments can be made in four equal installments based upon 90 percent of the expected liability for year 2023 or 100 percent of the liability of year 2022 to avoid penalty if the payments are made timely.
- Per Public Act 102-0799, a check box was added to Form IL-1040, authorizing IDOR to provide you with health insurance eligibility information and to share your contact and income information with the state health benefits exchange.
- The 100 Club of Illinois Charities has been added as a donation option on Schedule G, Voluntary Charitable Donations.
- An Addendum to the IL-1040 and Schedule M Instructions was created to provide instructions for taxpayers who received a discharge of indebtedness attributable to student loan forgiveness that is not excluded from the taxpayer's federal adjusted gross income per Public Act 102-1112 for tax years 2021 and 2022.

## Reminders for Illinois Individual Income Tax filing

- Use [Where's My Refund?](#) to find out if the Illinois Department of Revenue has initiated the refund process. For more specific information about the status of your refund after IDOR has finished processing it, you can check the Illinois Comptroller's [Find Your Illinois Tax Refund System](#).
- To qualify for the Illinois Earned Income Credit, you must meet certain requirements and file a tax return, even if you do not owe any tax or are not required to file. See the [Illinois Earned Income Tax Credit \(EITC\) and Earned Income Credit \(EIC\)](#) web page for more information.
- MyTax Illinois, our electronic account management program, has been updated to make filing your 2022 IL-1040 easier than ever. You may file with or without a MyTax Illinois account; reduce errors with automated calculations and prepopulated information from previous returns; report income from wages and salaries, retirement, Illinois income tax overpayment, and military pay; claim credits and payments for Earned Income, Property Tax, K-12 Education Expense, Withholding, and Estimated Payments; pay your tax electronically or receive refunds quickly with direct deposit; and receive immediate confirmation of your submitted tax return. Visit [mytax.illinois.gov](http://mytax.illinois.gov) to determine if you are eligible to use this new, simplified filing process.
- You can use MyTax Illinois to respond to most income tax correspondence from IDOR if you have a MyTax Illinois account. Simply log in to your account, click "more account options," and "respond to notice" in the Letters and Messages section.
- The Illinois exemption allowance, Illinois Property Tax Credit, and the K-12 Education Expense Credit are not allowed if the taxpayer's adjusted gross income for the taxable year exceeds \$500,000 for returns with a federal filing status of married filing jointly, or \$250,000 for all other returns.

## What are the changes to the 2022 Illinois Business Income Tax returns and schedules?

- Entities who elect to pay pass-through entity (PTE) tax (including partnerships and S corporations) and reasonably expect their total tax liability to exceed \$500 are required to make estimated tax payments. For tax years ending before December 31, 2022, the late estimated payment penalties related to an election to pay PTE tax was waived. For tax years ending on or after December 31, 2022, the late estimated payment penalties will not be waived.

## Business Income Tax — continued

- The extension to file Form IL-1120 has been changed. The extension to file is now seven months (eight months for June filers) from the original due date. This change will restore Form IL-1120's extended due date to one month beyond the federal automatic extension. This change is retroactive for tax years ending on or after December 31, 2021.
- Schedule B, Section B, for partnerships and S corporations and Schedule D, Section B, for fiduciaries has been reformatted from horizontal to vertical orientation to allow room for new pass-through entity (PTE) tax lines.
- Form IL-1041, Fiduciary Income and Replacement Tax Return, has a new checkbox that allows estates with no distributions to identify themselves.
- Form IL-4562, Special Depreciation, has been modified to include calculations for property placed in service after December 31, 2022, and before January 1, 2024, subject to 80 percent federal bonus depreciation.
- Schedule NLD, Illinois Net Loss Deduction, and Schedule UB/NLD, Unitary Illinois Net Loss Deduction, are again required to report any Illinois net loss deductions for tax years ending on or after December 31, 2022. Attach Schedule NLD or UB/NLD to your business return.
- Schedule 4255, Recapture of Investment Tax Credits, has new recapture of credit lines for the Reimagining Electric Vehicles (REV) Illinois Investment Credit.
- IL-2220, Computation of Penalties for Businesses, was updated to include a new worksheet for Form IL-1065 and Form IL-1120-ST filers who elect to pay PTE tax and are annualizing their income.

## What are the changes to the Illinois Income Tax credits?

- Public Act 102-0669 created a new tax credit for Reimagining Electric Vehicles (REV) Illinois Investments effective on or after November 16, 2021. The credit has been added to Schedules 1299-I, 1299-A, 1299-C, and 1299-D. Contact the [Illinois Department of Commerce and Economic Opportunity \(DCEO\)](#) for more information.
- Public Act 102-0700 created a new credit, the Agritourism Liability Insurance income tax credit, which is effective for tax years beginning on or after January 1, 2022, and ending on or before December 31, 2023. The credit has been added to Schedules 1299-I, 1299-A, 1299-C, and 1299-D. Contact the [Illinois Department of Agriculture \(IDOA\)](#) for more information.
- Public Act 102-1053 created a new credit, the Recovery and Mental Health income tax credit, which is effective for tax years beginning on or after January 1, 2023. The credit has been added to Schedules 1299-I, 1299-A, 1299-C, and 1299-D. Contact the [Illinois Department of Human Services \(IDHS\)](#) for more information.
- Public Act 102-0700 extended the Economic Development for a Growing Economy (EDGE) tax credit to tax years ending on or prior to June 30, 2027. It also includes new provisions that will allow "startup" taxpayers to claim EDGE credits against their withholding income tax.
- For the Film Production Services tax credit, no new credits will be awarded for tax years beginning on or after January 1, 2027.
- Public Act 102-0700 created the Manufacturing Illinois Chips for Real Opportunity (MICRO) Act. The MICRO Act establishes three new credits, the MICRO Illinois Credit, the MICRO Construction Jobs Credit, and the MICRO Project Investment income tax credit. The three new credits may be applied against income tax starting with tax years beginning on or after January 1, 2025. However, the MICRO Illinois Credit and the MICRO Construction Jobs Credit may be earned starting with tax years beginning on or after January 1, 2023. Contact the [Illinois Department of Commerce and Economic Opportunity \(DCEO\)](#) for more information.

**Illinois Income Tax credits - continued**

- Public Act 102-1112 extended the deduction for contributions to a qualified ABLE account to tax years beginning prior to January 1, 2028.
- Hospital tax credit has been extended to tax years ending on or before December 31, 2027.

**What are the changes to the 2023 Illinois Withholding Income Tax forms?**

- [Publication 131-D, 2023 Withholding Income Tax Payment and Return Dates](#), has been updated to include the specific due dates for withholding payments and Form IL-941, Illinois Withholding Income Tax Return.

Monthly Payment and Quarterly Return Schedule	
<b>Must pay</b> electronically or use Form IL-501 by	<b>Must file</b> Form IL-941 electronically by
<b>15th of each month</b> for amounts withheld in the preceding month.	<ul style="list-style-type: none"> <li>• May 1, 2023</li> <li>• July 31, 2023</li> <li>• October 31, 2023</li> <li>• January 31, 2024</li> </ul>

Semi-weekly Payment and Quarterly Return Schedule	
<b>Must pay</b> electronically by	<b>Must file</b> Form IL-941 electronically by
<b>Wednesday</b> for amounts withheld on the preceding Wednesday, Thursday, or Friday, and	<ul style="list-style-type: none"> <li>• May 1, 2023</li> <li>• July 31, 2023</li> <li>• October 31, 2023</li> <li>• January 31, 2024</li> </ul>
<b>Friday</b> for amounts withheld on the preceding Saturday, Sunday, Monday, or Tuesday	

- Public Act 102-0700 created a new credit, the Organ Donation credit, which is effective for reporting periods beginning on or after January 1, 2023. For more information on the calculation of this credit, please see the [2023 Schedule WC-I, Withholding Income Tax Credits Information](#).
- The following withholding income tax forms must be submitted electronically by the due date indicated in the chart below. See [Publication 110, Forms W-2, W-2c, W-2G, and 1099 Filing and Storage Requirements for Employers and Payers, including New 1099-K Electronic Filing Requirements](#) for more information.

Form	Due Date
W-2, Wage and Tax Statement	January 31, 2023
W-2G, Certain Gambling Winnings	March 31, 2023
1099-K, Merchant Card and Third Party Network Payments, issued to payees with Illinois addresses if you are required by the IRS to electronically file or the payee has 4 or more transactions and the cumulative total of the payee's transactions exceeds \$1,000.	March 31, 2023

**Note:** The Illinois filing requirements for these documents are separate from the federal filing requirements. Failure to submit required documents to Illinois directly may result in penalties.

- Form IL-5754 has been revised to include the reporting of sports wagering winnings subject to federal withholding.

## Withholding Income Tax - continued

- Public Act 102-0700 extended the Economic Development for a Growing Economy (EDGE) tax credit to tax years ending on or prior to June 30, 2027. It includes a new provision that allows “startup” taxpayers to claim EDGE credits against their withholding income tax. For more information on the calculation of this credit, please see the [2023 Schedule WC-I, Withholding Income Tax Credits Information](#).

## What other information is important for tax preparers and software vendors for the filing season?

- Illinois vendor draft forms pages moved to a new site at <https://www.revenue.state.il.us/TaxProfessionals/DraftForms>. To access the pages, you will no longer need your Illinois Public Account, however you will need a username and password provided by IDOR. For more information, see our website.
- Substitute paper forms must be submitted and approved through our Forms Approval Program. For more information, see the [IL-8633-SF Guide, Substitute Forms Guidelines](#) on our website.
- **Reminder:** If you are a tax preparer, make sure your tax preparation software is up to date. Using the most recently updated version of your tax preparation software helps reduce the time it takes us to process your clients’ returns and helps ensure the security of your clients’ tax information.  
**NOTE:** Do not mail IDOR any version of a form that contains a watermark.
- Certain paper returns will be processed using imaging software. All specifications for producing substitute forms, including the 1-D barcode and 2-D barcode, are available in the password protected “Draft Forms” web page for [Substitute Forms Developers](#).

## What is coming in 2023?

### Individual Income Tax

- **Personal Exemption** — Effective for tax years beginning on or after January 1, 2023, the personal exemption allowance for individuals will increase to \$2,625 per person. This impacts 2023 Form IL-1040 for individuals, including estimated payments, and 2023 withholding income tax rates for employers (see [IL-700-T, Illinois Withholding Tax Tables Booklet](#)).
- **Per Public Act 102-0700** - Effective for tax years beginning on or after January 1, 2023,
  - the **Earned Income Tax Credit (EIC)** increases to 20 percent of the federal EIC amount and will be extended to qualifying taxpayers, ages 18 through 25, and 65 and older, and ITIN filers; and
  - the **Instructional Materials and Supplies Credit** increases to \$500.
- We encourage taxpayers to check our website at [tax.illinois.gov](http://tax.illinois.gov) for the most current information.