



Who must complete Form IL-W-4?

If you are an employee, you must complete this form so your employer can withhold the correct amount of Illinois Income Tax from your pay. The amount withheld from your pay depends, in part, on the number of allowances you claim on this form.

Even if you claimed exemption from withholding on your federal Form W-4, U.S. Employee's Withholding Allowance Certificate, because you do not expect to owe any federal income tax, you may be required to have Illinois Income Tax withheld from your pay (see Publication 130, Who is Required to Withhold Illinois Income Tax). If you are claiming exempt status from Illinois withholding, you must check the exempt status box on Form IL-W-4 and sign and date the certificate. Do not complete Lines 1 through 3.

If you are a resident of Iowa, Kentucky, Michigan, or Wisconsin, or a military spouse, see Form W-5-NR, Employees Statement of Nonresidence in Illinois, to determine if you are exempt.

Note If you do not file a completed Form IL-W-4 with your employer, if you fail to sign the form or to include all necessary information, or if you alter the form, your employer must withhold Illinois Income Tax on the entire amount of your compensation, without allowing any exemptions.

When must I file?

You must file Form IL-W-4 when Illinois Income Tax is required to be withheld from compensation that you receive as an employee. You should complete this form and give it to your employer on or before the date you start working for your employer. You may file a new Form IL-W-4 any time your withholding allowances increase. If the number of your previously claimed allowances decreases, you **must** file a new Form IL-W-4 within 10 days. However, the death of a spouse or a dependent does not affect your withholding allowances until the next tax year.

When does my Form IL-W-4 take effect?

If you do not already have a Form IL-W-4 on file with your employer, this form will be effective for the first payment of compensation made to you after this form is filed. If you already have a Form IL-W-4 on file with this employer, your employer may allow any change you file on this form to become effective immediately, but is not required by law to change your withholding until the first payment of compensation is made to you after the first day of the

next calendar quarter (that is, January 1, April 1, July 1, or October 1) that falls at least 30 days after the date you file the change with your employer.

Example: If you have a baby and file a new Form IL-W-4 with your employer to claim an additional exemption for the baby, your employer may immediately change the withholding for all future payments of compensation. However, if you file the new form on September 1, your employer does not have to change your withholding until the first payment of compensation is made to you after October 1. If you file the new form on September 2, your employer does not have to change your withholding until the first payment of compensation made to you after December 31.

How long is Form IL-W-4 valid?

Your Form IL-W-4 remains valid until a new form you have filed takes effect or until your employer is required by the department to disregard it. Your employer is required to disregard your Form IL-W-4 if you claim total exemption from Illinois Income Tax withholding, but you have not filed a federal Form W-4 claiming total exemption. Also, if the Internal Revenue Service (IRS) has instructed your employer to disregard your federal Form W-4, your employer must also disregard your Form IL-W-4. Finally, if you claim 15 or more exemptions on your Form IL-W-4 without claiming at least the same number of exemptions on your federal Form W-4, and your employer is not required to refer your federal Form W-4 to the IRS for review, your employer must refer your Form IL-W-4 to the department for review. In that case, your Form IL-W-4 will be effective unless and until the department notifies your employer to disregard it.

What is an "exemption"?

An "exemption" is a dollar amount on which you do not have to pay Illinois Income Tax. Therefore, your employer will withhold Illinois Income Tax based on your compensation minus the exemptions to which you are entitled.

What is an "allowance"?

The dollar amount that is exempt from Illinois Income Tax is based on the number of allowances you claim on this form. As an employee, you receive one allowance unless you are claimed as a dependent on another person's tax return (e.g., your parents claim you as a dependent on their tax return). If you are married, you may claim additional allowances for your spouse and any dependents that you are entitled to claim for federal income tax purposes. You

also will receive additional allowances if you or your spouse are age 65 or older, or if you or your spouse are legally blind.

How do I figure the correct number of allowances?

Complete the worksheet on the back of this page to figure the correct number of allowances you are entitled to claim. Give your completed Form IL-W-4 to your employer. Keep the worksheet for your records.

If you are a partner in a same-sex civil union, and are subject to federal income tax on health benefits your employer pays for your partner, these benefits are not taxed by Illinois. Your employer will still withhold Illinois tax on these benefits unless you choose to claim additional allowances to reduce your withholding by including the amount of these benefits on Line 6 of the Withholding Allowance Worksheet.

Note If you have more than one job or your spouse works, you should figure the total number of allowances you are entitled to claim. Your withholding usually will be more accurate if you claim all of your allowances on the Form IL-W-4 for the highest-paying job and claim zero on all of your other IL-W-4 forms.

What if I underpay my tax?

If the amount withheld from your compensation is not enough to cover your tax liability for the year, (e.g., you have non-wage income, such as interest or dividends), you may reduce the number of allowances or request that your employer withhold an additional amount from your pay. Otherwise, you may owe additional tax at the end of the year. If you do not have enough tax withheld from your pay, and you owe more than \$500 tax at the end of the year, you may owe a late-payment penalty. You should either increase the amount you have withheld from your pay, or you must make estimated tax payments.

For additional information on penalties, see Publication 103, Uniform Penalties and Interest. Visit our website at tax.illinois.gov to obtain a copy.

Where do I get help?

- Visit our website at tax.illinois.gov
- Call our Taxpayer Assistance Division at **1 800 732-8866** or **217 782-3336**
- Call our TDD (telecommunications device for the deaf) at **1 800 544-5304**
- Write to
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19044
SPRINGFIELD IL 62794-9044