



informational

Bulletin

David Harris, Director

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

For more information

Visit our website at:
tax.illinois.gov

Register and file your return online at:
mytax.illinois.gov

Email us at:

- Business and withholding income tax questions:
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.

IDOR Abates Late Estimated Payment Penalties for Filers Who Elected to Pay Pass-through Entity Tax

To: Partnerships and Small Business Corporations who are required to make estimated payments due to their election to pay pass-through entity (PTE) tax and whose fourth quarter estimated payment was due on December 15, 2022

The Illinois Department of Revenue (IDOR) will abate partnerships' and S corporations' late estimated payment penalties assessed on fourth quarter estimated payments due December 15, 2022, as long as their fourth quarter estimated payments were made for the required amount and were paid on or before January 17, 2023. Penalties remain assessed on any unpaid fourth quarter estimated payment balance starting on January 18, 2023.

NOTE: Any unpaid balances due for the first, second, or third quarters will automatically be fulfilled using any subsequent payment. This may result in the taxpayer's fourth quarter payment being insufficient to cover the fourth quarter liability. Penalties assessed on any remaining fourth quarter balance due will not be abated because a fourth quarter payment was used to fulfill earlier estimated liabilities.

What is a late estimated payment penalty?

A late estimated payment penalty is a penalty assessed when partnerships and S corporations are required to make estimated payments and fail to do so, or if they failed to pay the required amount by the payment due date.

When are estimated tax payments due for partnerships and S corporations?

Partnerships and S corporations who elect to pay PTE tax and who can reasonably expect their replacement tax and PTE tax liability to be more than \$500 must make quarterly estimated payments. Estimated payments are due on the 15th day of the 4th, 6th, 9th, and 12th months of the tax year.

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Do I need to do anything to have my penalties abated?

Affected taxpayers will automatically have their accounts adjusted to abate the penalties. Taxpayer's accounts and future correspondence will reflect the correct balances.

Any taxpayer who had a fourth quarter estimated payment due on December 15, 2022, and who believes they have been incorrectly assessed penalties for their fourth quarter, should contact IDOR using one of the contact options on the front of this bulletin.

Where can I find more information?

For more information about pass-through entities and pass-through entity tax, visit IDOR's website at tax.illinois.gov.