Illinois Department of Revenue

FY 2025-16
December 2024

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.

This bulletin summarizes changes for

- 2024 Illinois Income Tax forms and schedules for individuals and businesses,
- 2025 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.
- Income tax filing and payment relief is available for individuals and businesses in parts of Illinois affected by severe storms, tornadoes, straight-line winds, and flooding that began on July 13, 2024. See the Gov. Pritzker Announces Relief Available to July Storm Victims in Illinois news article on IDOR's website for more information.
- Use MyTax Illinois to make filing your 2024 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, pay your tax electronically or receive refunds quickly with direct deposit, and receive immediate confirmation of your submitted tax return. Visit mytax.illinois.gov to determine if you are eligible to use this simplified filing process.

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

File your return online at:
mytax.illinois.gov

Email us at:
- Individual income tax questions: REV.TA-IIT@illinois.gov
- Business and withholding income tax questions: REV.TA-BIT-WIT@illinois.gov

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

TTY at:
1 800 544-5304

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

Printed by authority of the state of Illinois
Electronic only, one copy
N-12/24

General Information for 2024 Form IL-1040, Illinois Individual Income Tax Return, Filers

- The original due date for filing your 2024 Form IL-1040 and paying any tax you owe is April 15, 2025. The extended due date for filing your return is October 15, 2025.
- Quarterly 2025 estimated payments can be made in four equal installments based upon 90 percent of the expected liability for year 2025 or 100 percent of the liability of year 2024 to avoid penalty if the payments are made timely.

What are the changes to the 2024 Form IL-1040 and schedules?

- The 2024 personal exemption amount is $2,775.

Specific Form Changes

- Forms IL-1040 and IL-1040-X
  - In accordance with Public Act 103-0592, the Child Tax Credit was added on Line 30. This credit is available for taxpayers who qualify for the Illinois EITC and have at least one child that is their dependent and under the age of 12 years old. The credit is calculated as 20% of the Illinois EITC.
  - A check box has been added to certain individual schedules to indicate that the schedule is being attached to an amended return.
- Schedule M
  - Line 40 was updated to clarify the subtraction for disallowed deductions under IRC Section 280E for cannabis establishments, cannabis cultivation centers, or medical cannabis dispensing organizations licensed by IDFPR or IDOA.
  - In accordance with Public Act 103-0478, Line 41 was added for amounts awarded as a result of a judgment or settlement for fertility fraud or donor fertility fraud.
- Schedule ICR
  - In accordance with Public Act 103-0592, the Volunteer Emergency Worker Credit was expanded to include volunteers with county or municipal emergency services and disaster agencies.

    NOTE: You must have a Voluntary Emergency Worker Credit Certificate to claim this credit.
- Schedule IL-E/EITC
  - Step 4 of the Schedule and the Illinois Expanded EITC Worksheet were updated to simplify claiming the Illinois EITC.
  - In accordance with Public Act 103-0592, the Child Tax Credit was added on Step 5.
- Schedule G
  - The 100 Club of Illinois Fund was removed due to not meeting the minimum donation amount.

Reminders for Illinois Individual Income Tax filing

- Use Where's My Refund? to find out if IDOR 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) web page for more information.
- 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 2024 Illinois Business Income Tax returns and schedules?

- Step 8 of Forms IL-1065, IL-1065-X, IL-1120-ST, and IL-1120-ST-X has been split into two steps. The new section break is after the "Net replacement tax" line (Line 58 for Forms IL-1065 and IL-1065-X, Line 56 for Forms IL-1120-ST and IL-1120-ST-X). The steps that follow were renumbered.
- Investment partnership withholding lines on Forms IL-1065 and IL-1065-X and their corresponding instructions were updated due to special allocations in certain partnership agreements.
- In accordance with Public Act 103-0592, financial organizations must now calculate their investment and trading income attributable to Illinois by multiplying their total amount of investment and trading income by the ratio of Illinois sourced receipts (excluding investment and trading income) to total receipts (excluding investment and trading income).
- For corporations other than S corporations, the Illinois net loss deduction (NLD) is limited to a maximum of $500,000 for tax years ending on or after December 31, 2024, and before December 31, 2027. Schedule NLD instructions, Schedule UB/NLD, and Schedule UB/NLD instructions have been updated to reflect the new limitation.
- Schedule B, Partners' or Shareholders' Information, lines and instructions were reformatted and updated to improve investment partnership withholding reporting. Schedule D, Beneficiary Information, lines and instructions were reformatted and updated to mirror similar changes made on the Schedule B.
- A new step was added to Form IL-477, Replacement Tax Investment Credits, to affirm the credits claimed on the form are valid.
- Form IL-4562, Special Depreciation, has been modified to include calculations for property placed in service after December 31, 2024, and before January 1, 2026, subject to 40 percent federal bonus depreciation.
- Schedule 4255, Recapture of Investment Tax Credits, has been reformatted to accommodate new income tax credits (see the "What are the changes to the Illinois Income Tax credits?" section).
- Schedule K-1-P, Partner's or Shareholder's Share of Income, Deductions, Credits, and Recapture, has been updated and extended to three pages to accommodate the addition of new income tax credits (see the "What are the changes to the Illinois Income Tax credits?" section). Additionally, investment partnership withholding references were added to the schedule.
- The Schedule K-1-P(4) instructions are now included in the Schedule K-1-P(1).

What are the changes to the Illinois Income Tax credits?

- In accordance with Public Act 102-0669, the following income tax credits were created and are effective for tax years beginning on or after January 1, 2025:
  - **Reimagining Energy and Vehicles (REV) Illinois** credit and
  - **Reimagining Energy and Vehicles (REV) Construction Jobs** income tax credit.

  NOTE: Taxpayers must have the applicable tax credit certificate from the Department of Commerce and Economic Opportunity (DCEO) to claim these credits. Instead of claiming the REV Illinois Credit against the taxes imposed under IITA Section 201(a) and (b), a taxpayer may elect to claim against its withholding tax obligation only that portion of the REV Illinois Credit that is calculated based on the incremental income tax attributable to new employees and retained employees.

Illinois Income Tax credits - continued

- In accordance with Public Act 102-0700, the following income tax credits were created and are effective for tax years beginning on or after January 1, 2025:
  - **Manufacturing Illinois Chips for Real Opportunity (MICRO) Investment** tax credit;
  - **Manufacturing Illinois Chips for Real Opportunity (MICRO) Illinois** credit; and
  - **Manufacturing Illinois Chips for Real Opportunity (MICRO) Construction Jobs** income tax credit.

  NOTE: Taxpayers must have the applicable tax credit certificate from DCEO to claim these credits.Instead of claiming the MICRO Illinois Credit against the taxes imposed under IITA Section 201(a) and (b), a taxpayer may elect to claim against its withholding tax obligation only that portion of the MICRO Illinois Credit that is calculated based on the incremental income tax attributable to new employees and retained employees.
- In accordance with Public Act 103-0592, the Wages Paid to Ex-Felons credit was renamed the **Wages Paid to Returning Citizens** credit. In addition, for tax years beginning on or after January 1, 2025, the credit percentage was increased to 15 percent of qualified wages paid during the taxable year. For tax years ending on or after December 31, 2025, the credit limit per returning citizen was increased to $7,500.
- In accordance with Public Act 103-0592:
  - the **Adoption** credit was extended until tax years ending on or before December 31, 2029;
  - the **Music and Musicians** tax credit was created and is effective for tax years beginning on or after January 1, 2025; and
  - the **Student-Assistance Contributions** tax credit was extended until tax years ending on or before December 31, 2029.
- In accordance with Public Act 103-0595,
  - the **Quantum Computing Campuses** tax credit was created and is effective for tax years ending on or after June 26, 2024; and
  - the **Research and Development** tax credit was extended until tax years ending on or before December 31, 2031.
- In accordance with Public Act 103-1059, the **Apprenticeship Education Expense** credit was extended until tax years beginning on or before January 1, 2026.
- The **Agritourism Liability Insurance** tax credit and the **Invest in Kids** tax credit have expired. However, the credits may still be available to be carried forward.
- In accordance with Public Act 103-0592, the **Illinois Gives** tax credit was created and is effective for tax years ending on or after December 31, 2025. Taxpayers wishing to make contributions eligible for the tax credit may begin submitting their contribution requests to IDOR for approval on January 1, 2025.

What are the changes to the 2025 Illinois Withholding Income Tax forms?

- 2025 Publication 131-D, Withholding Income Tax Payment and Return Due 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	
Must pay electronically or use Form IL-501 by	**Must file** Form IL-941 electronically by
15th of each month for amounts withheld in the preceding month.	• April 30, 2025 • July 31, 2025 • October 31, 2025 • February 2, 2026

Semi-weekly Payment and Quarterly Return Schedule	
Must pay electronically by	**Must file** Form IL-941 electronically by
Wednesday for amounts withheld on the preceding Wednesday, Thursday, or Friday, and **Friday** for amounts withheld on the preceding Saturday, Sunday, Monday, or Tuesday	• April 30, 2025 • July 31, 2025 • October 31, 2025 • February 2, 2026

- 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 1099-K Electronic Filing Requirements for more information.

Form	Due Date
W-2, Wage and Tax Statement	January 31, 2025
W-2G, Certain Gambling Winnings	April 1, 2025
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.	April 1, 2025

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.

- 2025 Publication 131-D, Withholding Income Tax Payment and Return Due Dates, has been updated to include the specific due dates for withholding payments and Form IL-941, Illinois Withholding Income Tax Return.

What are the new Withholding Income Tax credits?

- In accordance with Public Act 102-0669, the **Reimagining Energy and Vehicles (REV) Illinois** tax credit was created and is effective as a withholding income tax credit for tax years beginning on or after January 1, 2025.

  NOTE: Only the portion of the REV Illinois Credit that is calculated based on the incremental income tax attributable to new employees and retained employees may be claimed against its withholding tax obligation.

New Withholding Income Tax credits - continued

- In accordance with Public Act 103-0592, the following withholding income tax credits were created and are effective for tax years beginning on or after January 1, 2025:
  - the non-profit **Live Theater Production** tax credit and
  - the **Local Journalism Sustainability** tax credit**.**

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

- Tax forms and form instructions, when released, can be found in the forms area of IDOR's website, https://tax.illinois.gov/forms.
- Illinois vendor draft forms pages have been moved to a new location. Vendors must complete a Form IL-8633-SF, Substitute Forms Provider Annual Enrollment, before being given the hyperlink to the vendor draft forms page. A username and password is no longer needed to access the page. For more information, see our website.
- Substitute paper forms must be submitted and approved through our Forms Approval Program. For more information, see the 2024 Guidelines for Substitute Tax Forms (Form IL-8633-SF Instructions) 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 on the "Draft Forms" web page. See the Substitute Forms Developers web page for more information.
- Make sure that your taxpayers are receiving all the credits for which they qualify. See our website, tax.illinois.gov, for more information on Illinois credits. The Volunteer Emergency Worker Credit has been expanded to include volunteer workers with county or municipal emergency services and disaster agencies. The Child Tax Credit is a new credit for taxpayers who qualify for Illinois EITC and have at least one dependent under the age of 12.

What is coming in 2025?

- **Personal Exemption** — The personal exemption amount for tax year 2025 will increase to $2,850. This impacts 2025 Form IL-1040 for individuals, including estimated payments, and 2025 withholding income tax rates for employers (see Form IL-700-T, Illinois Withholding Tax Tables Booklet).
- We encourage taxpayers to check our website at tax.illinois.gov for the most current information.