

**Illinois Department of Revenue
Regulations**

Title 86 Part 100 Section 100.7360 Definitions and Special Provisions Relating to Reporting and Payment of Income Tax Withheld (IITA Sections 704 and 704A)

TITLE 86: REVENUE

**PART 100
INCOME TAX**

Section 100.7360 Definitions and Special Provisions Relating to Reporting and Payment of Income Tax Withheld (IITA Sections 704 and 704A)

For purposes of the provisions of IITA Sections 704 and 704A:

- a) Date of withholding. Income tax is withheld on the date payment of compensation is made to the employee. (See IRS Revenue Ruling 74-126.)

EXAMPLE: An employer pays employees bi-monthly on the last day of the month for services rendered through the 15th of the month and on the 15th of the month for services rendered from the 16th of the previous month through the end of the previous month. Taxes withheld from compensation earned in the second half of May and paid on June 15 are withheld on June 15 for purposes of determining when the taxes must be reported and paid over to the Department.

- b) Quarter-monthly period. *A quarter-monthly period ends on the 7th, 15th, 22nd and last day of each calendar month.* (IITA Section 704(b)) These dates are not affected by weekends or holidays. That is, the 7th of a month is the end of a quarter-monthly period, even if it is a Saturday, Sunday or holiday.
- c) Banking day. *Saturdays, Sundays, legal holidays and local bank holidays are not banking days.* (IITA Section 704(b))
- d) Employer, employee and compensation. The term "employer" includes all persons required to withhold Illinois income tax; "employee" includes all persons from whom Illinois income tax is required to be withheld; and "compensation" includes all payments from which Illinois income tax is withheld or required to be withheld under IITA Section 711(a). For purposes of determining when monthly, quarter-monthly or semi-weekly payments must be made and whether an employer is required to pay by electronic funds transfer, the amount of tax withheld or required to be withheld by the employer shall include all taxes withheld or required to be withheld under Article 7 of the IITA, other than taxes withheld from domestic employees that are reported and paid pursuant to Section 100.7350. (See IITA Section 711(a) and Section 2505-210 of the Department of Revenue Law [20 ILCS 2505/2505-210].)
- e) Look-back period. The term "look-back period" for a calendar year means the 12-month period ending June 30 of the preceding calendar year. For example, the look-back period for calendar 2008 is the period from July 1, 2006 through June 30, 2007.

(Source: Added at 32 Ill. Reg. 17492, effective October 24, 2008)