
Use this formula to compute amount of Illinois income tax to withhold from employees’ wages.

**Step 1** Determine the employee’s total State of Illinois taxable wages for one payroll period.

**Step 2** Multiply the number of the employee’s withholding allowances (Line 1 of Form IL-W-4) by $2,000. Multiply the number of additional allowances (Line 2 of Form IL-W-4) by $1,000. Add the two amounts together.

**Step 3** Divide the result of Step 2 by the number of pay periods from the table. The result is the employee’s exemptions.

<table>
<thead>
<tr>
<th>Pay Cycle</th>
<th># of Pay Periods</th>
</tr>
</thead>
<tbody>
<tr>
<td>Semimonthly</td>
<td>24</td>
</tr>
<tr>
<td>Monthly</td>
<td>12</td>
</tr>
</tbody>
</table>

**Step 4** Subtract the result of Step 3 from the result in Step 1. The result is the taxable amount of income.

**Step 5** Multiply the taxable amount by 4.95 percent (.0495). Amount of income taxes required to be withheld.

**Step 6** Add any additional amount from Form IL-W-4, Line 3. This is the total amount withheld.

**Formula:**

\[
\text{Tax withheld} = 0.0495 \times (\text{Wages} - \frac{\left(\text{Line 1 allowances} \times 2000\right) + \left(\text{Line 2 allowances} \times 1000\right)}{\text{number of pay periods in a year}})
\]

If you have questions, call the Payroll Office at (309) 438-7677 or e-mail payroll@ilstu.edu.