OFFICE OF THE COMPTROLLER | Payroll
Illinois State University

Effective for wages paid beginning January 1, 2021. Supersedes any formulas before January 1, 2020.

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 $2,375. 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.

Pay Cycle	# of Pay Periods
Semimonthly	24
Monthly	12

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:

$$\text{Tax withheld} = .0495 \times \left(\text{Wages} - \frac{(\text{Line 1 allowances} \times \$2,375) + (\text{Line 2 allowances} \times \$1,000)}{\text{number of pay periods in a year}}\right)$$

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