Overview of the Illinois Department of Revenue
Revenue’s Mission Statement

To administer Illinois tax laws and collect tax revenues in a fair, consistent, and efficient manner for taxpayers and to provide accurate, timely, and reliable funding and information to state and local constituents.
The Department of Revenue administers more than 80 state and local tax laws, including the authorization to collect certain taxes on behalf of local government, and generates approximately $45 billion in taxes and fees annually to support the operations of state and local government. The Department allocates revenues to more than 6,800 local governments and school districts annually.

In fiscal year 2018, the Department processed over 13.4 million returns (including over 6 million individual income tax returns and 800,000 business income tax returns) of which 81% were filed electronically. The Department also collected more than $1.9 billion through our billing, auditing, collections and other enforcement activities, and answered almost one million phone calls.
The following is a list of state and local taxes and fees administered by the Illinois Department of Revenue.

The Department of Revenue is responsible for the fair, efficient, and uniform administration of state and local tax laws. The Department’s primary activities include:

• taxpayer registration,
• tax return processing,
• collection activities,
• state and local tax revenue accounting and distribution, and
• voluntary compliance promotion through taxpayer education, information and assistance.
These activities are conducted from offices throughout the state and auditors strategically located across the nation, and supported by a statewide computer network.
Property Tax

The Department oversees Illinois’ $29.8 billion local property tax assessment process. State statutes require the Department to equalize assessed value of property among counties at one-third of market value. Since taxing districts often include more than one county, this equalization process assures that like property is valued at the same level, so the tax burden can be distributed fairly.
The Department oversees the Illinois Liquor Control Commission.* The Commission’s mission is to protect the health, safety, and welfare of Illinois citizens by carefully controlling and regulating the manufacture, distribution, and sale of alcoholic liquors.

*Effective July 1st, 2019, the Illinois Liquor Control Commission will no longer be part of the Illinois Department of Revenue. Public Act 100-1050
Revenue Collection

There are three major categories of Illinois taxes collected by the Illinois Department of Revenue:

- **Income taxes**
- **Sales taxes**
- **Excise taxes**

Approximately 56 percent of the revenue collected by IDOR comes from income taxes; 34 percent comes from sales taxes; the remaining 10 percent comes from all other sources including excise taxes.

Source: IDOR Annual report FY18
https://www2.illinois.gov/rev/research/taxstats/AnnualCollectionsDistributions/Documents/FY18_Annual_Report.pdf
The Illinois Income Tax is based, to a large extent, on the federal Internal Revenue Code. It is imposed on every individual, corporation, trust, and estate earning or receiving income in Illinois. The tax is calculated by multiplying net income by a flat rate. In fiscal year 2018, income taxes were the largest source of revenue with receipts of $25.01 billion.
Sales Tax

The Illinois Sales Tax, or Retailers’ Occupation Tax, is a combination of “Occupation” and “Use” taxes on the sales of tangible personal property. Occupation taxes are imposed on a seller’s receipts. Use taxes are imposed on amounts paid by a purchaser of tangible personal property. Sales taxes were the second largest source of revenue in fiscal year 2018 with $15.30 billion*.

*Reflects only revenue collected by IDOR.
Excise Taxes

Excise Taxes are collected on coin-operated amusement devices, cigarettes, liquor gallonage, dry-cleaning license and tax, real estate transfer tax, electricity, gas revenue, hotels, energy assistance, renewable energy, and gas tax collections, telecommunications, and tobacco products. These taxes require a number of special enforcement and collection activities. Total for all excise tax receipts in fiscal year 2018 was $2.62 billion.*

*Reflects only revenue collected by IDOR.
Motor Fuel Taxes

Motor fuel taxes include the Motor Fuel Tax, Motor Fuel Use Taxes, Underground Storage Tank Tax, and the Environmental Impact Fee. Total for all motor fuel tax receipts in fiscal year 2018 was $1.37 billion. Motor Fuel taxes are collected by the Department of Revenue, but are disbursed by the Illinois Department of Transportation based on information from the Department of Revenue’s Motor Fuel Tax Division.
Gaming Taxes

Gaming taxes include the Bingo Tax and License Fees, Charitable Games Tax and License Fees, Pull Tabs and Jar Games Tax and License Fees, and Racing Pari-mutuel Tax. Total for all Gaming tax receipts in fiscal year 2018 was $11.67 million.*

*Reflects only revenue collected by IDOR.
Illinois Department of Revenue
Form IL-1040 Return
Processing Overview
FORM IL-1040 FILING SOURCES

• The Form IL-1040 can be filed electronically by individual taxpayers and preparers, using an approved software vendor, as part of the Internal Revenue Service Modernized e-File (MeF) Program. They can also be filed electronically online at the Department’s website using the MyTax Illinois account management program. The Department welcomes and promotes electronically filed returns as an environmentally friendly way for taxpayers to avoid common, and sometimes costly, mistakes.

• Taxpayers may also choose to file on paper using forms available on our website or by using department approved facsimiles, and on paper 2D barcode returns. 2D barcode returns are generated from tax preparation software products. The 2D barcode contains information from the return and attachments which allows it to be scanned rather than data entered. Document Control & Deposit has a unit which handles only IL-1040 2D original tax returns.
During calendar year 2018, the Department received 6,158,496 IL-1040 returns for the 2017 filing period from all filing sources:

- 4,999,881 of these returns were filed via MeF.
- 235,026 of these returns were filed via MyTax Illinois.
- 565,898 of these returns were filed using a paper Form IL-1040.
- 357,691 returns were filed using a 2D Barcoded paper Form IL-1040.

During calendar year 2018, 3,899,999 Individual Income Tax refunds were issued totaling approximately $1.73 billion dollars.
For fiscal year 2018, Education received the majority of state taxes – 39.9 percent. Health and Social Services received 33.4 percent. Transportation, public protection and justice, transfers (borrowing repayments, local governments, etc.), and other general government expenses received the remaining 26.7 percent.

Source: Comptroller Report FY18