

## State Employment Law Tracker, ¶20,167D, Illinois adopts emergency regulation for minimum wage credit — ILLINOIS — Wage Hour Rules, (Apr. 27, 2020)

Illinois adopted an emergency regulation implementing a corporation and personal income tax credit for withholding tax payments for minimum wage employees.

**Who qualifies for the credit?** Employers with 50 or fewer Illinois full-time employees who make minimum wage can qualify for the withholding tax credit. An employer is not eligible for credits unless the average wage paid each employee for all employees making less than \$55,000 during the quarterly tax reporting period exceeds the average wage paid each employee for all employees making less than \$55,000 during the same reporting period in the prior calendar year.

The credit does not include employees who have worked fewer than 90 consecutive days before the reporting period. But, credits can accrue during that 90-day period for future reporting periods.

**How do employers determine the credit?** Employers determine the amount of the credit based on the difference between wages paid in Illinois during the reporting period to:

- employees who made minimum wage; and
- employees who made less than minimum wage.

**What does the regulation cover?** The regulation provides rules and examples for determining:

- the number of hours worked by salaried and hourly employees;
- the number of full-time employees;
- the average wage paid in Illinois during the reporting period to employees earning less than \$55,000;
- the amount of the credit for employees who make minimum wage and more than minimum wage; and
- the amount of the credit for newly hired employees whose 90th consecutive day of employment occurred during the reporting period. (*86 Ill. Adm. Code Sec. 100.7390, Illinois Department of Revenue, effective March 4, 2020 and expires July 21, 2020.*)