

Illinois Wage and Tax Facts

2026

MINIMUM WAGE

Minimum Wage:	\$	15.00
Minimum Cash Wage:	\$	9.00
(Tipped Employee)		
Maximum Tip Credit:	\$	6.00

Effective: 1/1/25

**cities/municipalities may have their own minimum wage

STATE INCOME TAX

Wage Withholding:	4.95%
Supplemental Wage/Bonus Rate:	4.95%

UNEMPLOYMENT INSURANCE

Maximum Taxable Earnings:	\$	14,250
Employee Deduction:		None
Employer Tax Rates:		0.75 - 7.05%
Standard New Employer Rate:		3.35%
Voluntary Contribution Permitted:		No

DISABILITY INSURANCE

Employee Deduction:	None
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LOCAL INCOME TAXES

None

RECIPROCITY RULES

Iowa, Kentucky, Michigan, Wisconsin

WORKERS' COMPENSATION

Please contact your insurance provider for details

STAFFING SERVICES SUBJECT TO SALES TAX

Currently no legislation

AGENCY WEBSITES

Dept of Revenue: www.revenue.state.il.us
Dept of Employment Security: www.ides.illinois.gov
New Hire Reporting:
http://www.ides.illinois.gov/Pages/New_Hire_Reporting.aspx