**Section 100.7120 Exempt Withholding Under Reciprocal Agreements (IITA Section 702)**

a) In general. Employees who are residents of a state with which a reciprocal agreement is in effect exempting residents of that state from withholding of Illinois tax on compensation paid in Illinois must file a signed certificate of their residency in order to receive the benefit of the exemption.

b) Form of residency certificate. Form IL-W-5-NR, Employee's Statement of Non-Residence in Illinois, is the form prescribed for the certificate required to be filed under this Section. The certificate shall be prepared in accordance with the instructions, and shall set forth fully and clearly the required data. Form IL-W-5-NR will be supplied to employers upon request to the Department. In lieu of the prescribed form of certificate, employers may prepare and use a form that contains the same information required in the prescribed form and, if not maintained in hardcopy, that meets the requirements of 86 Ill. Adm. Code 100.9530(d).

c) Change in residency. An employee must notify his or her employer and file a new residency certificate or Illinois withholding exemption certificate, whichever is applicable, within ten days after his or her state of residency changes from the one named on the certificate.

d) Annual determination: effective date; duration of residency certificate. A certificate described under this Section shall be subject to the same rules applicable to a withholding exemption certificate under Section 100.7110(e), (f) and (g).

(Source: Amended at 33 Ill. Reg. 2306, effective January 23, 2009)