

TUA NEWS RELEASE

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The Budget Compromise is a Multibillion Dollar Income Tax Hike

Chicago, IL – The Illinois Senate is expected to vote on a budget compromise this Wednesday, the day of Gov. Bruce Rauner’s (R) State of the State address. The proposal will include hikes to Illinois’ personal and corporate income tax rates and neglects to consider substantive, long-term reforms to the state government.

Taxpayers United of America (TUA) urges the Illinois Senate to reject this deeply flawed budget.

“The only compromise found in the new budget proposal is a growing tax burden for Illinois residents in exchange for minimal reforms,” said TUA’s president, Jim Tobin. “Passing this budget will continue to allow Springfield to operate its fiefdom without systemic changes to Illinois’ state government.”

Under the proposed budget compromise, the state’s personal income tax would increase from 3.75 percent to 5.25 percent, surpassing former Gov. Quinn’s (D) 2011 sixty-seven percent income tax hike, which sunset in January 2015, and failed to significantly reduce the state’s unfunded liabilities or improve Illinois’ financial standing.

The state’s corporate income tax rate would also be hiked under the proposal, from its current rate of 7.75 percent (including the often-overlooked personal property replacement income tax surcharge of 2.5 percent) to a rate of 9.5 percent, one of the highest corporate income tax rates in the country.

“According to the Tax Foundation’s most recent data, Illinois is tied with Wisconsin and California for the fourth highest overall state and local tax burden,” said Tobin. “Taxpayers are fleeing the state at the highest rate in the country for better economic opportunities, which increases the tax burden for those of us who cannot move or refuse to leave the lives we’ve made for our families in Illinois.”

“The Senate’s proposal includes a two-year property tax freeze and minor government pension and worker’s compensation reforms, but the hikes to the personal and corporate income tax rates will only continue the financial downfall of Illinois,” said Tobin. “We urge the Senate to reject this tax-increasing budget compromise in the interest of the taxpayers of Illinois.”