

TUA NEWS RELEASE

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Illinois' Corporate Income Tax is 9.5% – Fourth Highest in US!

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The Illinois state corporate income tax is continues to be understated by reporters and politicians, according to the president of one of the nation's largest taxpayer groups, Taxpayers United of America (TUA).

“The total Illinois corporate state income tax rate of 9.5% includes a base rate of 7% and another 2.5% on top of that, which was added by constitutional amendment in 1980,” said Jim Tobin, President of TUA. “The additional tax was called a ‘personal property replacement tax,’ which purportedly replaced a 19th-century tax that was not even being collected.”

The Ill. Dept. of Revenue's own website states: “For tax years beginning on or after January 1, 2011, corporations pay 7.0 % income tax and 2.5% replacement tax.”

“In 2011, the Democrat-controlled state legislature pushed through a huge, back-breaking 67% increase in the state personal income tax, as well as hiking the state corporate income tax. Every dollar from these gigantic tax increases is being used to prop-up the failed government employee pension system from which they and their special-interest supporters benefit.

According to the non-partisan Tax Foundation in Washington, D.C., “The Illinois corporate state income tax rate, recently raised from 7.3% to 9.5%, [rose from being the 21st highest overall corporate tax rate in the country to 4th highest](#). Almost all nearby states have lower state corporate state income tax rates, putting Illinois in a very unfavorable position competitively.”

“Now Springfield Democrats are pushing for a graduated personal state income tax with a top tier of as much as 11%. This would have a catastrophic effect on the 61% of Illinois businesses that pay income tax under the personal income tax code as ‘pass-through’ businesses. Illinois, which is struggling to survive economically, undoubtedly would become an economic wasteland if the state's most productive individuals and corporations are forced to flee to states with lower tax rates.”