

INCOME TAX: SB 9

PERSONAL INCOME TAX

- Increases from 3.75 percent to 4.95 percent. This represents a 1.2 percentage point increase.
- The personal income tax is less than what it was between 2011 and 2014.
- A personal income tax of 4.95 was negotiated with Republicans and is what Gov. Rauner agreed to.
- The personal income tax increase will generate \$4.453 billion annually.
- Illinois will continue to be one of few states that do not tax retirement income.

CORPORATE INCOME TAX

- Increases from 5.25 percent to 7 percent.
- Will generate \$514 million annually.

SERVICE TAX

- There are no service taxes in Senate Bill 9.
- There are no soda taxes in Senate Bill 9
- There are no satellite or streaming taxes in Senate Bill 9.

WHERE THE 2011 TAX INCREASE WENT

- Between December 2012 and July 2014, the personal income tax rate of 5 percent enabled the state to pay off \$5.732 billion in backlogged bills, according to the Governor's Office of Management and Budget. This allowed the state to pay bills on a 30 day cycle.
- With the sunset of the previous income tax rate in January 2015, the backlog of bills climbed to \$7.1 billion by March of 2015, according to the Governor's Office of Management and Budget.
- The 2011 tax rate allowed the state to pay \$28 billion into the public employee pension system, the greatest period of investment in retirement security in state history. That investment over four years nearly rivals what had been invested over the previous four decades.