



Equitable Revenue Policies Illinois Families Need to Thrive

HJR 18 & SJR 22 Rep. Will Davis, Senator Karina Villa

As the needs of one community are held up against the needs of another, billions in potential revenue are left on the table from big corporations and the wealthiest Illinoisans, who can easily contribute more to ensure our state is welcoming and caring for all.

Now is not the time to scale back – it's time to generate the necessary revenue and consistent funding for essential programs that help low and moderate income families thrive across Illinois.

DID YOU KNOW?

- Illinois' tax system is currently the 8th most unequal of all states and the most unequal of all states in the Midwest.
- Households with the lowest 20% of family incomes pay more than twice the percent of their income toward state and local taxes as those with the top 1% of incomes.

The Illinois Revenue Alliance has compiled a list of revenue solutions that would generate over \$6 billion in new revenue for the state annually.

Proposed new revenue solutions that the ILGA can pass for FY26:

\$725 mil	Tax on digital advertising
\$1.2 bil	Corporate tax worldwide combined reporting
\$200 mil	Tax corporate offshore sheltered income
\$1.5 bil	Close the carried interest loophole
\$840 mil	Billionaire wealth tax
\$1.7 bil	Excise tax on capital gains
\$830 mil	Raise corporate income tax
\$175 mil	Close corporate tax loopholes
\$150 mil	Reform the estate tax

New revenue would resolve the projected shortfall and fund programs most critically in need of additional investments:

- Supporting immigrant communities by fully funding immigrant services
- School funding
- Strengthening public transit operations
- Protecting healthcare access for all
- Senior home care
- Improving the child tax credit and direct cash assistance
- Re-entry employment programs
- Violence prevention
- Affordable housing

CONTACT

Jeremy Rosen, Shriver Center on Poverty Law
Shaddi Zeid, The People's Lobby

jeremyrosen@povertylaw.org
shaddi@thepeopleslobbyusa.org

ILLINOIS REVENUE ALLIANCE MEMBERS:

Brighton Park Neighborhood Council, Chicago Teachers Union, Grassroots Collaborative, Healthy Illinois, Illinois Coalition for Immigrant and Refugee Rights, Jewish Council on Urban Affairs, ONE Northside, PEER Illinois, SEIU Healthcare, Shriver Center on Poverty Law, The People's Lobby, Workers Center for Racial Justice



Descriptions of Revenue Policies

Digital advertising tax – A tax on digital ads that are viewed in Illinois would prevent Big Tech corporations like Amazon, Facebook, and Google from evading taxation on a significant portion of their revenue. – **\$725 million**

Corporate tax worldwide combined reporting – Corporations that operate internationally through multiple entities often play shell games with the location of their profits. Tax reporting on the whole corporation would cut down on profits hidden in offshore tax havens. – **\$1.2 billion**

Tax corporate offshore sheltered income – Tax a type of offshore profit sheltering by corporations known as Global Intangible Low-Taxed Income (GILTI), which is taxed in federal tax code but not in Illinois. – **\$200 million**

Close the carried interest loophole – Address a loophole that private equity and hedge fund executives rely on for under-taxation of their fee income on their federal taxes by creating a surcharge on carried interest income in Illinois tax law. – **\$1.5 billion**

Billionaire wealth tax – Create a mark-to-market tax specific to billionaire wealth that would ensure they pay state income tax on their skyrocketing wealth which would go almost entirely untaxed otherwise. – **\$840 million**

Excise tax on capital gains – Because capital gains are under-taxed at the federal level relative to wage income, create an excise tax on capital gains above \$250,000 in one year to compensate for the federal policy. – **\$1.7 billion**

Raise the corporate income tax – Per the state constitution, the corporate income tax may be 8/5 the size of the individual income tax. With the individual income tax at 4.95%, the current corporate tax rate could be raised by 0.92%. – **\$830 million**

Repeal additional corporate tax loopholes – In 2021, Governor Pritzker's budget proposed eliminating a set of tax loopholes benefiting specific industries. Strong budget advocacy resulted in successful closure of some of these but several remain. – **\$175 million**

Increase estate tax – Partially reverse the narrowing of taxation on the transfer of dynastic wealth within very rich families. – **\$150 million**