

Illinois Revenue Enhancements and Initiatives

<u>Enhancement or Initiative</u>	<u>Amount Generated</u>
1. Increase Individual Income Tax to 5.0%	\$5.7 billion
2. Increase the Corporate Income Tax commensurate with the Personal Income Tax to 8.0%	\$950 million
3. Include Retirement Income in Personal Income Tax base for seniors with annual Adjusted Gross Incomes in excess of \$75,000	\$200 million
4. Expand Sales Tax Base to include consumer services (not business, education or health care services)	\$2.0 – 2.4 billion
5. Expand Sales Tax to include food (only if the increased tax burden on low and middle-income families is off-set with a refundable tax credit)	\$1.3 billion
6. Means test the Education Expense Credit	\$40 - \$45 million
7. Means test the Property Tax Credit	\$200 - \$240 million
8. Eliminate public subsidies to the horse racing industry	\$48 million
9. Create a “carbon emissions” charge	\$2 billion
10. Examine corporate tax expenditures and loopholes: (a) Repeal the Single Sales Factor (b) Reduce the Retailers Discount (c) Newsprint and Ink to Newspapers and Magazines Exemption (d) Manufacturing and Assembling Machinery and Equip Exemption (e) Sales of Vehicles to Automobile Rentors Exemption (f) Enterprise and Foreign Trade Zone Dividend Subtractions (g) Enterprise and Foreign Trade Zone High Economic Impact Business Exemption: (h) Timely Filing and Full Payment Discount:	\$96 million \$80 - \$100 million \$41 million \$164 million \$43 million \$2 million \$37 million \$28 million
11. Review federal definitions: The state's definition of "income" that is subject to taxation, for both individuals and corporations, is closely tied to the federal definition. This has a direct and negative impact on the state's ability to collect revenues when the Federal Government grants tax breaks. A review of federal definitions of Adjusted Gross Income for individuals and Taxable Income for corporations to determine if allowed deductions from those amounts make sense for Illinois.	
TOTAL REVENUE GENERATED	\$12.9 - \$13.4 billion

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*For more information please contact
Chrissy Mancini, Director of Budget and Policy Analysis
at 312-332-1481 or cmancini@ctbaonline.org*