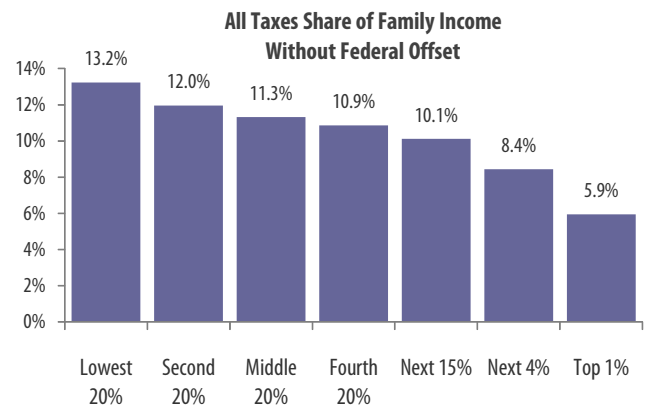
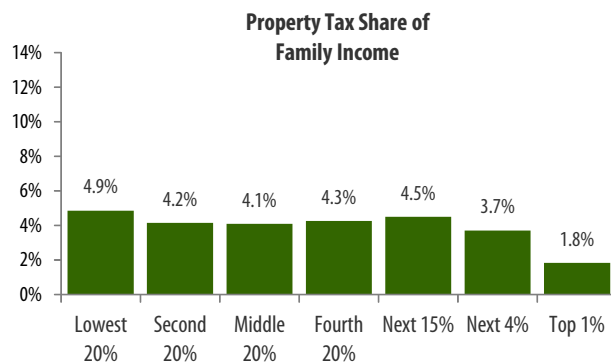
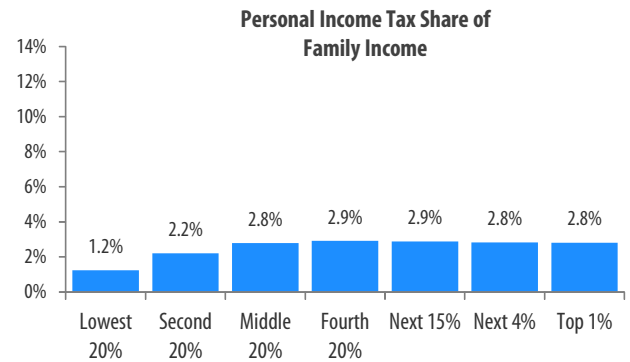
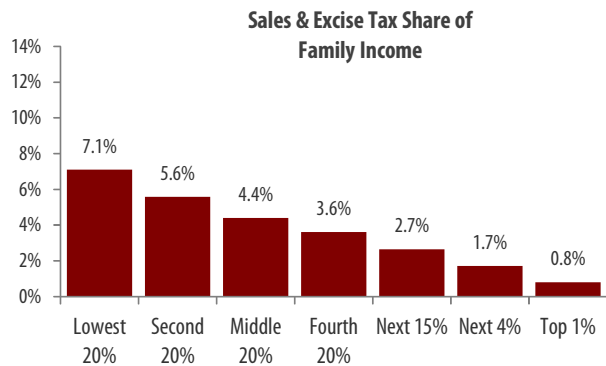
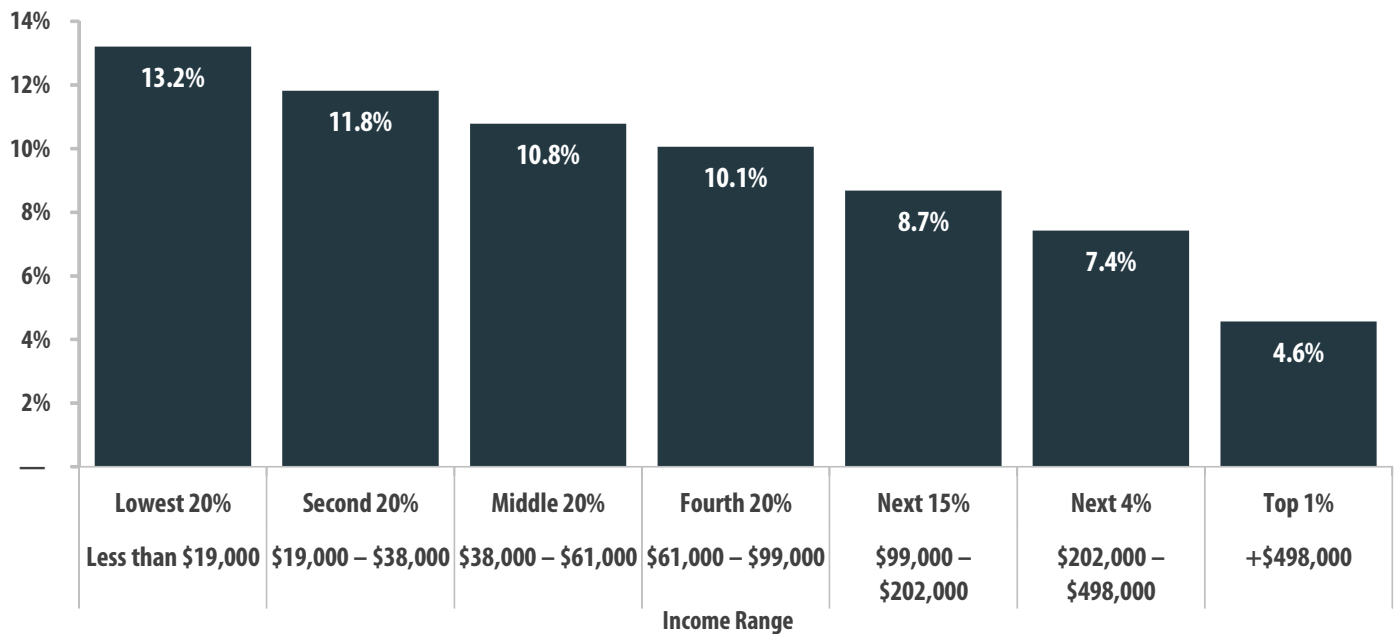


Illinois State & Local Taxes in 2015

#5 of the Terrible 10

Shares of family income for non-elderly taxpayers



Note: Figures show permanent law in Illinois enacted through December 31, 2014 at 2012 income levels. Top figure represents total state and local taxes as a share of income, post- federal offset.

Illinois State & Local Taxes in 2015

#5 of the Terrible 10

Details, Tax Code Features, & Tax Code Changes Enacted in 2013 & 2014

Income Group	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
Income Range	Less than \$19,000	\$19,000 – \$38,000	\$38,000 – \$61,000	\$61,000 – \$99,000	\$99,000 – \$202,000	\$202,000 – \$498,000	\$498,000 or more
Average Income in Group	\$10,900	\$28,400	\$49,500	\$78,000	\$133,700	\$305,000	\$1,826,400
Sales & Excise Taxes	7.1%	5.6%	4.4%	3.6%	2.7%	1.7%	0.8%
General Sales—Individuals	3.4%	3.0%	2.5%	2.1%	1.6%	1.1%	0.5%
Other Sales & Excise—Ind.	1.9%	1.2%	0.8%	0.6%	0.4%	0.2%	0.1%
Sales & Excise on Business	1.7%	1.4%	1.1%	0.9%	0.6%	0.4%	0.2%
Property Taxes	4.9%	4.2%	4.1%	4.3%	4.5%	3.7%	1.8%
Property Taxes on Families	4.7%	4.0%	3.9%	4.0%	4.2%	3.2%	0.9%
Other Property Taxes	0.2%	0.2%	0.2%	0.3%	0.3%	0.5%	0.9%
Income Taxes	1.3%	2.2%	2.8%	3.0%	3.0%	3.0%	3.3%
Personal Income Tax	1.2%	2.2%	2.8%	2.9%	2.9%	2.8%	2.8%
Corporate Income Tax	0.0%	0.0%	0.0%	0.1%	0.1%	0.2%	0.5%
Total Taxes	13.2%	12.0%	11.3%	10.9%	10.1%	8.4%	5.9%
Federal Deduction Offset	−0.0%	−0.1%	−0.5%	−0.8%	−1.4%	−1.0%	−1.4%
OVERALL TOTAL	13.2%	11.8%	10.8%	10.1%	8.7%	7.4%	4.6%

Note: Table shows detailed breakout of data on previous page.

Illinois Tax Code Features

Progressive Features

- Provides a 10 percent refundable Earned Income Tax Credit (EITC)
- Provides a non-refundable property tax credit
- Requires the use of combined reporting for the corporate income tax

Regressive Features

- Personal income tax uses a flat rate
- Comparatively low income tax exemptions
- All retirement income is exempted through the personal income tax
- State sales tax base includes groceries, though taxed at a lower rate
- Local sales tax bases include groceries
- Fails to provide a property tax “circuit breaker” credit for low-income taxpayers
- Fails to provide refundable child tax credits

Tax Changes Enacted in 2013 & 2014

- Temporary flat rate of 5 percent fell to 3.75 percent on January 1, 2015 (*Who Pays 4th Edition* included the 3.75 percent rate)

ITEP Tax Inequality Index

According to ITEP’s Tax Inequality Index, Illinois has the **5th** most unfair state and local tax system in the country. States with regressive tax structures have negative tax inequality indexes, meaning that incomes are less equal in those states after state and local taxes than before (See Appendix B for state-by-state rankings and more details).