



**IL Corn**  
ilcorn.org



Illinois citizens will vote on a proposed amendment to the Illinois Constitution on November 3, 2020. The amendment would allow for the implementation of a graduated income tax in Illinois.

This change will impact any small business owner with incomes in what will become higher tax brackets. It will also give the Illinois General Assembly permission to adjust the tax brackets at any time, making what might be a lower tax bracket today into a higher tax bracket tomorrow.

#### **BACKGROUND ON THE CURRENT AND PROPOSED TAX STRUCTURES IN IL:**

##### **What is the current income tax in Illinois?**

The current income tax levied on all taxpayers is 4.95%

##### **What are the proposed graduated tax rates?**

###### **Single Tax Filers**

Income Tax Rate

\$0 - \$10,000 4.75%  
\$10,001 - \$100,000 4.90%  
\$100,001 - \$250,000 4.95%  
\$250,001 - \$350,000 7.75%  
\$350,001 - \$750,000 7.85%  
\$750,000 or more 7.99%\*

###### **Joint Tax Filers**

Income Tax Rate

\$0 - \$10,000 4.75%  
\$10,001 - \$100,000 4.90%  
\$100,001 - \$250,000 4.95%  
\$250,001 - \$500,000 7.75%  
\$500,001 - \$1 million 7.85%  
\$1 million or more 7.99%\*

##### **How do I figure out how much I would pay under a graduated income tax?**

Please note that the Constitutional Amendment vote only allows for a graduated income tax to be enacted. The General Assembly will vote to create the structure for the new graduated tax brackets, which they can change at any time.

[Use the graduated income tax calculator](#) linked here with proposed structure for a new graduated tax from Governor Pritzker.

##### **What is the amendment process?**

Under Illinois law, the General Assembly is required to provide voters with a brief explanation of the proposed amendment, a brief argument in favor of the amendment, a brief argument against the amendment, and the form in which the question will appear on the ballot. This information will be mailed by the Secretary of State to all registered voters and also appears on the ballot.

**How many votes are needed to ratify the graduated tax amendment?**

For an amendment to become part of the constitution, the proposed amendment must be approved by three-fifths of those voting on the question or a majority of those voting in the election.

**How many states currently have a graduated income tax?**

Thirty-four

**Additional Points to Consider:**

According to Illinois Policy, the income tax hike would hit the state's [largest](#) job creators – small businesses – the hardest. Small businesses are responsible for [60% of the net job creation](#) in Illinois and are the businesses most at risk from the economic fallout of COVID-19. Unfortunately, the progressive income tax hike would be the largest for these businesses. While the total corporate income tax rate – including the [Personal Property Replacement Tax](#) (PPRT) – would increase by 10% under the Governor's proposed plan (from 9.5% to 10.49% when including PPRT), the tax hike for pass-throughs could be up to 47% (6.45% to 9.49% when including PPRT).

**If the progressive tax is enacted, the general assembly could later change the rates or tax brackets anytime.**

**Illinois will also have the 3rd highest corporate tax rate in the nation.**

**IL Corn Growers Association Policy:**

In 2013 and 2014, delegates to the IL Corn Growers Association policy session enacted the following two policies which place ICGA in opposition to this proposed constitutional amendment.

*Tax Policy*

*Oppose any increase in the state income tax and any attempt to move to a graduated state income tax. (2013)*

*Support changes in the IL tax structure that promote business growth, job creation and do not overly burden any one segment of the Illinois economy. (2014)*

\*Once income for single filers reaches \$750,000 or \$1 million for joint filers, the entire income is taxed at the 7.99%. Employers with income at this level will see the entire amount taxed at the maximum rate plus to Corporate Personal Property Replacement Tax.