

A Tax Cut for Illinois Families



SB3774

Aquino - Koehler - Ellman - Villivalam - Collins
Hunter, Peters, Villa, Simmons, Pacione-Zayas,
Gillespie, Feigenholtz, Villanueva, Fine, Bush,
Belt, Lightford, Johnson

HB 4920

Ammons - Moeller - E. Hernandez - Ramirez
Didech, Cassidy, Buckner, Mayfield, West, Mah, Guzzardi, LaPointe, Avelar, Ortiz, Mussman,
Andrade, Gonzalez, Morgan, Gong-Gershowitz, Hirschauer, Nichols, Collins, Gordon-Booth,
Yingling, Kifowit, Harper, B. Hernandez, Lilly, Meyers-Martin, Yang Rohr, Slaughter, Greenwood,
Yednock, Scherer, Stava-Murray, Flowers, Hurley, A. Williams, DeLuca, Croke, Willis, Ness, Delgado,
Kelly, Burke, Mason, Stuart, Carroll, Robinson, Smith, Rita, Manley, Demmer, Wang Stoneback,
Ford, Tarver, Hammond, McCombie, Conroy, Evans, J. Williams, Costa Howard

Expanding Illinois' Earned Income Credit (EIC) & creating a Child Tax Credit (CTC) will give 4.8 million of our neighbors more cash at tax time.

THE PROBLEM

POVERTY & INEQUALITY ON THE RISE

Illinois has the 8th most regressive tax system in the country. Higher-earners are able to amass wealth and succeed in our economy, while **over 1.2 million of our neighbors are excluded from tax relief** that could benefit them.

The **pandemic has exaggerated inequality** and pushed forward an uncertain economic future. Families, particularly low-income families, are still facing dire economic choices two years into the pandemic. They urgently need support and relief.

THE SOLUTION

EXPAND EIC & CREATE A STATE CTC

An expanded Earned Income Credit (EIC) and a new state Child Tax Credit would reduce the amount of tax owed for families and **offer a refund of at least \$600 to most no-, low- and middle-income Illinoisans.**

This policy is **tested and successful**: federal EITC lifts more families out of poverty than food stamps, housing subsidies, and unemployment insurance combined. This would offer **more cash relief** so **families can choose how to meet their urgent needs and save toward their future.**

POLICY DETAILS

YEAR 1

Expand EIC to more taxpayers & increase credit amount:

- Include young adults 18-24
- Include older adults age 65+
- Include Individual Taxpayer Identification Number (ITIN) filers
- Increase credit amount (from 18% to 20% match of federal EITC)

YEAR 2

Create Illinois CTC & increase EIC credit amount:

- Create a statewide Child Tax Credit (CTC) of a minimum \$600 credit for all EIC-eligible families with dependents under 17
- Increase EIC credit amount (from 20% to 22% match of EITC)

YEAR 3

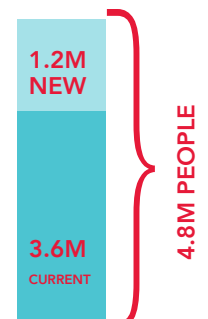
Expand Illinois CTC & increase EIC credit amount:

- Make \$600 an Illinois CTC available to families with dependents under 17 who are ineligible for EIC because they earn \$0 in income
- Increase EIC credit amount (from 22% to 25% match of EITC)

IMPACT: \$1 billion+ benefits to local economies.

- EIC expansion would reach **4.8 million+ people** in **1.6 million+ households** in **every zip code** and **every legislative district** in the state, *that's 40% of all Illinoisans.*
- **1.2 million+** Illinoisans would become newly eligible for EIC.
- **3.6 million+** existing EIC recipients would receive more cash support.
- Due to the racialized nature of poverty, families of color would benefit greatly: **44%** of all Illinois **Black households** and **65%** of all Illinois **Latinx households** would be eligible for EIC.
- Investment in EIC has a **multiplier effect**: each dollar spent on EIC generates around \$2.50 in local economic activity.
- According to an [independent report from Center for Tax and Budget Accountability](#), spending on EIC & CTC would create **\$1 billion+** local and statewide economic benefits, far outweighing the proposal's cost.

How many Illinoisans would directly benefit?



*Figures calculated by the Institute of Taxation and Economic Policy, based on data from the Department of Revenue.

Supporters of a Tax Cut for Illinois Families

SB 3774

HB 4920

LEGISLATIVE SPONSORS

SENATE

Chief Sponsor: Aquino

- Koehler
- Ellman
- Villivalam
- Collins
- Hunter
- Peters
- Villa
- Simmons
- Pacione-Zayas
- Gillespie
- Feigenholtz
- Villanueva
- Fine
- Bush
- Belt
- Lightford
- Johnson

HOUSE

Chief Sponsor: Ammons

- Moeller
- E. Hernandez
- Ramirez
- Didech
- Cassidy
- Buckner
- Mayfield
- West
- Mah
- Guzzardi
- LaPointe
- Avelar
- Ortiz
- Mussman
- Andrade
- Gonzalez
- Morgan
- Gong-Gershowitz
- Hirschauer
- Nichols
- Collins
- Gordon-Booth
- Yingling
- Kifowit
- Harper
- B. Hernandez
- Lily
- Meyers-Martin
- Yang Rohr
- Slaughter
- Greenwood
- Yednock
- Scherer
- Stava-Murray
- Flowers
- Hurley
- A. Williams
- DeLuca
- Croke
- Willis
- Ness
- Delgado

OUR COALITION

The Coalition to Make EIC Work is a project of the Illinois Cost-of-Living Refund Coalition.

Led by Economic Security for Illinois, this coalition 40+ unions, community organizations, philanthropic partners, & consumer protection groups includes:

- Age Guide
- AARP Illinois
- Caring Across Generations
- The Chicago Community Trust
- Chicago Jobs Council
- Chicago Urban League
- Chicago Votes
- Children's Home & Aid
- Community Organizing & Family Issues
- Economic Security for Illinois
- Economic Security Project
- Equity and Transformation
- Grassroots Collaborative
- Heartland Alliance
- Illinois Action for Children
- Illinois Coalition for Immigrant & Refugee Rights
- Illinois Families for Public Schools
- Illinois Nurses Association
- Illinois Public Interest Research Group
- Latino Policy Forum
- LIFT- Chicago
- Metropolitan Planning Council
- New America Chicago
- Parents Organizing to Win Educate & Renew - Policy Action Council Illinois
- Raise The Floor Alliance
- SEIU- HCL
- SEIU - Local 1
- SEIU - Local 73
- Shriver Center on Poverty Law
- Small Business Majority
- Stand for Children Illinois
- Start Early
- UFCW - Local 881
- United Way of Illinois
- UpTogether
- Voices for Illinois Children
- Warehouse Workers for Justice
- Women Employed
- Woodstock Institute
- Worker Center for Racial Justice
- Young Invincibles
- YWCA of Metropolitan Chicago

ENDORSERS

Over 150 organizations endorse this policy including:

- Access Living
- Above and Beyond Family Recovery Center
- Albany Park Community Center
- Alliance of Filipinos for Immigrant Rights & Empowerment
- Arab American Action Network
- Arab American Family Services
- Arise Chicago
- Asian American Advancing Justice
- Association for Individual Development
- Austin Coming Together
- Brighton Park Neighborhood Council
- Cambodian Association of Illinois
- Cara Collective
- Career Transitions Center of Chicago
- Casa Michoacán
- Center for Changing Lives
- Center for Immigrant Progress
- Center for Neighborhood Technology
- Center for Tax & Budget Accountability
- Central States SER Jobs for Progress, Inc.
- Centro de Informacion
- Centro de Trabajadores Unidos (United Workers' Center)
- Centro Romero
- Champaign-Urbana Immigration Forum
- Chicago Area Project
- Chicago Citywide Literacy Coalition
- Chicago Coalition for the Homeless
- Chicago Metro LCLAA
- Chicago Religious Leadership Network
- Chicago Southland Economic Development Corporation
- Chicago Teachers Union
- Chicago Women in Trades
- Chicago Workers Collaborative
- Chinese American Service League
- Cinergi Group, LLC
- Communities United
- Community Assistance Programs
- Community Renewal Society
- Covey Group
- Enlace Chicago
- Equus Workforce Solutions
- Erie Neighborhood House
- Family Focus
- Far South Community Action Council
- Farmworker and Landscaper Advocacy Project
- Fathers, Families, & Healthy Communities
- FEDECMI/Casa Michoacan
- Grabemeyer Consulting
- Growing Home
- HANA Center
- Health & Medicine Policy Research Group
- Healthy Illinois
- HIRE360
- Housing Action IL
- Housing Choice Partners
- Housing Forward
- ICNC
- Illinois Migrant Council
- Illinois Muslim Civic Coalition
- Illinois Partners for Human Service
- Illinois YouthBuild Coalition Inc.
- Immigration Project
- Indo-American Center
- Inner Voice
- Instituto del Progreso Latino
- Irish Community Services
- Jane Addams Resource Corporation
- Jewish Council on Urban Affairs
- Latino Union of Chicago
- League of Women Voters Illinois
- Literacy Works
- Logan Square Neighborhood Association
- LULAC-IL
- Mano- A-Mano Family Resource Center
- Manufacturing Renaissance
- Mayor's Office for People with Disabilities
- Metropolitan Family Services
- Mujeres Latinas En Accion
- National Consumer Law Center
- National Domestic Workers Alliance
- National Immigrant Justice Center
- New Moms
- Northern Illinois Justice for Our Neighbors
- Northwest Side Community Development Corporation
- Northwest Side Housing Center
- OAI, Inc.
- One Northside
- Per Scholas
- Phalanx Family services
- Planned Parenthood of Illinois
- PODER
- Prairieland United Way
- Prevent Child Abuse Illinois
- Proyecto de Accion de los Suburbios del Oeste (PASO- West Suburban Action Project)
- Quad County Urban League
- Refugee One
- Revolution Workshop
- RiseKit
- Ryan Banks Academy
- Safer Foundation
- Society of Women Engineers
- Southwest Organizing Project
- Southwest Suburban Immigrant Project
- Start to Finish Coalition
- Streator Area United Way
- Sue Duncan Children's Center
- Syrian Community Network
- The Equitcity Racial Equity Movement
- The Refugee Center
- The Resurrection Project
- UCAN
- Unitarian Universalist Advocacy Network of Illinois
- United African Organization
- United Way of Central Illinois
- United Way of Champaign County
- United Way of Decatur & Mid-Illinois
- United Way of Kankakee and Iroquois Counties
- United Way of Lee County
- United Way of Logan County
- United Way of Metropolitan Chicago
- United Way of Southern Illinois
- University YMCA
- Upwardly Global
- West Suburban Jobs Council
- Youth Guidance
- Youth Job Center
- YWCA-Elgin