A Tax Cut for Illinois Families

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.

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.

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

For more information, contact Amber Wilson of Economic Security for Illinois at 708.580.0290 or amber@economicsecurityil.org

Updated 4/4/22
Supporters of a Tax Cut for Illinois Families

SB 3774
HB 4920

LEGISLATIVE SPONSORS

SENATE
Chief Sponsor: Aquino
- Koehler
- Emlan
- 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
- Musman
- 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
- Willce
- Ness
- Delgado
- Kelly
- Burke
- Mason
- Stuart
- Carroll
- Robinson
- Smith
- Rita
- Manley
- Demmer
- Wang Stoneback
- Ford
- Tarver
- Hammond
- McCombie
- Conroy
- Evans
- J. Williams
- Costa Howard

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 - HCCI
- 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
- Care Collective
- Career Transitions Center of Chicago
- Casa Mañana
- 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 (Unit ed 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 South and Economic Development Corporation
- Chicag o Teachers Union
- Chicago Women in Trades
- Chicago Workers Collaborative
- Chinese American Service League
- Communities United
- Community Assistance Programs
- Community Renewal Society
- Covey Group
- Enlace Chicago
- Equal Workforce Solutions
- Erie Neighborhood House
- Family Focus
- Far South Community Action Council
- Farmworker and Landscaper Advocacy Project
- Fathers, Families, & Healthy Communities
- Federación Casa Michoacán
- Grabmeyer Consulting
- Growing Home
- Hana Center
- Health & Medicine Policy Research Group
- Healthy Illinois
- HIREMO
- 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
- Illinois Nurses Association
- Irish Community Services
- Jane Addams Resource Corporation
- Jewish Council on Urban Affairs
- Latino Union of Chicago
- League of Women Voters Illinois
- Community Works
- Logan Square Neighborhood Association
- LULAC-IL
- Manor-età Family Resource Center
- Manufacturing Renaissance
- Mayor’s Office for People with Disabilities
- Metropolitan Family Services
- Mujeres Latinas En Acción
- 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
- oats, Inc.
- One Northside
- Per Scholas
- Palabra Family Services
- Planned Parenthood of Illinois
- PoDER
- Poverty United Way
- Prevent Child Abuse Illinois
- Proyecto de Acción de los Suburbios del Oeste (PASO-West Urban Action Project
- Puerto Rican United Way
- Warehouse Workers for Justice
- Women Employed
- Women’s Health Project
- Women’s Legal Defense and Education Fund
- Women’s Medical Foundation
- Women’s Right Network
- Young Invincibles
- Young Invincibles
- Youth Job Center
- YWCA-Elgin

Updated 4/4/22