

Governor signs SB 867, slashing filing costs for small businesses

December 20 2017 11:19 AM

CHICAGO (Dec. 20, 2017) — Gov. Bruce Rauner today signed legislation that substantially reduces startup, annual filing and other fees for limited liability companies (LLCs), the organizational structure preferred by many of Illinois' 1.2 million small businesses.

The new law will encourage more businesses to form in Illinois rather than go to other states to escape high fees. Effective today, the filing fee for new LLCs drops to \$150 from \$500 and annual report fees drop to \$75 from \$250. Previously, Illinois charged fees that were among the highest in the nation.

“This is a step in the right direction for our small businesses,” Rauner said. “The new rates are more competitive with other states. By easing the fee burden for LLCs here, we are sending a message to entrepreneurs and small business owners in Illinois: Start here and stay here.”

The governor signed the bill in the presence of dozens of small business advocates gathered at Level Office, an LLC that provides shared office space for startups. Level Office began in Chicago and now has facilities across the country.

“This is a clear win for business in Illinois,” Rauner said as he penned the legislation into law to rounds of applause.

“Small businesses are the engines of our economy, our job creators who employ the majority of new workers in our state each year,” said Lt. Gov. Evelyn Sanguinetti, who chairs the Governor's Rural Affairs Council. “We need to keep them here and help them grow, and this legislation will reduce their costs and make us more competitive with surrounding states. This is especially important for our small towns because we need more small businesses in rural Illinois to drive their economies and create jobs.”

Department of Commerce and Economic Opportunity Director Sean McCarthy said reducing LLC fees sends a positive signal.

“We support businesses that are looking to grow, invest and create new jobs in our state, regardless of their size,” McCarthy said. “SB 867 helps alleviate unnecessary burdens to allow Illinois businesses to thrive.”

“This bipartisan initiative is about much more than reducing some of the highest LLC fees in the nation,” agreed Small Business Advocacy Council CEO Elliot Richardson. “It is about leveling the playing field for small businesses, encouraging new businesses to form in our state, and growing our way toward economic stability.”

State legislators also hailed the action.

“As a small business owner myself, I know the challenges small businesses face to compete and grow,” said state Rep. Carol Sente, D-Vernon Hills, primary House sponsor of the bill. “Organizing and paying filing and renewal fees shouldn’t be so costly here, and now they won’t be.”

State Sen. Tom Cullerton, D-Villa Park, was the chief co-sponsor of the legislation in the Senate.

“This new law displays our state’s commitment to stimulating and revitalizing Illinois’ economy,” he said. “Cutting startup fees will help new businesses get off the ground and set up roots here in Illinois. Encouraging economic development in our state will help create new jobs, increase the tax base and grow our economy.”

“It’s about time,” cheered Rep. Mark Batinick, R-Plainfield, a chief co-sponsor in the House. “This should be just the first step of many to make Illinois a more business-friendly place.”

“This legislation provides some relief for the small business owners, who drive the Illinois economy,” added state Rep. David S. Olsen, R-Downers Grove. “It sends a clear message to those who provide jobs in our state that we want to ease their burden so they will remain and expand their businesses here. I look forward to continuing to work with my colleagues to find more comprehensive measures that will provide tangible relief for business owners across our state.”

State Rep. Peter Breen, R-Lombard, said landing a more competitive stance with neighboring states on the LLC fee front is a key step for Illinois.

“We need further significant reform to our state's business laws and regulations to help small businesses create more good-paying jobs in our state,” he added.

“The creation of new businesses is one of our best tools to help grow both jobs and our state economy,” said Sen. Chuck Weaver, a Peoria Republican who was among those sponsoring the legislation in the Senate. “This new law will help encourage our entrepreneurs to launch new businesses, which will create new opportunities for growth. This is a win for Illinois.”

Bill Bennet, founder of Level Office, also was enthusiastic.

“Level Office is thrilled to see this legislation enacted, as over 98 percent of employers in the state of Illinois are classified as small businesses,” he said. “We see this as a step to improving the business climate in our home state.”

Some of the fee changes include:

Item	Before	Now
LLC Filing Fee	\$500	\$150
Reinstatement	\$500	\$200
Reserved Name Application	\$300	\$25
Annual Report	\$250	\$75
Amendments	\$150	\$50
Name Transfer	\$100	\$25

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