

Lawmakers File Legislation to Change Constitution's Language to Create a Fair Tax System

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SPRINGFIELD – Governor JB Pritzker and leading members of the General Assembly announced a major step forward for the fair income tax, as lawmakers introduced language to amend the state's Constitution, which currently requires that all taxpayers pay the same rate, regardless of their income. Governor Pritzker's proposed fair income tax would address the state's multi-billion-dollar budget deficit by raising taxes only on those making more than \$250,000, who represent only 3% of taxpayers.

“Working with the General Assembly, my administration is taking an important next step to change our tax system to be more fair to the middle class,” said Governor JB Pritzker. “The action we’re taking today means we are one step closer to giving voters a choice about whether the wealthy will pay more and 97% of families will pay the same or less. I’ve said from the beginning that it doesn’t make sense that I pay the same rate as a teacher or first responder, and today brings us closer making Illinois’ tax system fair.”

The amendment would revise the state’s Constitution as follows:

Illinois Constitution Article IV, Section 3(a)

Current

A tax on or measured by income shall be at a non-graduated rate. At any one time there may be no more than one such tax imposed by the State for State purposes on individuals and one such tax so imposed on corporations. In any such tax imposed upon corporations the rate shall not exceed the rate imposed on individuals by more than a ratio of 8 to 5.

Proposed

The General Assembly shall provide by law for the rate or rates of any tax on or measured by income imposed by the state. In any such tax imposed upon corporations the highest rate shall not exceed the highest rate imposed on individuals by more than a ratio of 8 to 5.

As the constitutional amendment moves forward, Governor Pritzker’s administration is simultaneously continuing negotiations with the General Assembly over the tax rates, which would ensure that only those making more than \$250,000 a year – only 3% of residents – would pay more in taxes. Additionally, the governor has proposed increasing the property tax credit by 20% and creating a child tax credit targeted to working families.

The administration expects that rates will be finalized with lawmakers this legislative session so that Illinoisans can understand how the rates would affect their family before voting on the constitutional amendment. More information is available at www.illinois.gov/FairTaxCalculator.