

# Illinois Ranks Last For Tax Friendliness With 'No End In Sight'

by Elyse Kelly

December 17 2021 9:49 AM



The Center Square – High state income, property, and sales taxes put the Land of Lincoln dead last in a tax-friendliness ranking for middle-class Americans, coming in behind states like New York and New Jersey.

Illinois has a 4.95% flat state income tax rate and a 6.25% state sales tax with another 4.75% in local taxes added in some areas. The ranking comes from [Kiplinger](#), a business forecasting and personal-finance publisher, which calculated Illinois' average combined state and local sales tax rate to be 8.83%.

Venture capital expert, lawyer, and economic commentator Mark Glennon, who is also the founder and executive editor of Wirepoints, a market research organization, said Illinois' position at the bottom comes as no surprise.

"We've been consistently ranked at or near the bottom for a long time; the primary culprit is property taxes in Illinois and those hit the middle class very hard," he said.

Illinois' high tax rates are a result of politicians mishandling money, according to Glennon.

"It's ultimately a spending problem," he said.

Unlike other states, Illinois hasn't used recent federal windfalls wisely to bridge gaps like the gaping hole in its unemployment trust fund, which Glennon said policymakers ignored.

"Illinois has just announced new program after new program," he said. "As soon as that federal spigot shuts closed – and it will – Illinois is going to be back in the same suit that it was."

One large area that could save Illinoisans money if reformed is the rules that municipal governments have to follow for negotiating labor contracts, according to Glennon.

"We have particularly onerous rules that essentially force everything into collective bargaining and arbitration if there's any difficulty, and the outcome of that is consistently that the municipalities lose and organized labor wins," he said.

Pointing to IRS migration data, Glennon said the effect of the Prairie State's exorbitant tax rates is people of all income groups are leaving Illinois for greener pastures, with states like Florida, Texas, and Tennessee reaping the benefits.

"Middle-class people are obviously tending to pick places with better job prospects and lower taxes," he said.

And he said there is no end in sight for this problem.

“There’s no prospect of a solution in sight because the politicians are not even working on any solution,” he said.