

Illinois Family Relief Plan To Begin July 1

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CHICAGO — Beginning tomorrow, the Illinois Family Relief Plan will go into effect, making good on the promise by Governor Pritzker and the General Assembly to provide relief on the grocery tax, gas tax, and property taxes. The plan totals an estimated \$1.83 billion in relief, including income and property tax rebates and a temporary cut in several sales taxes.

“Starting tomorrow, every Illinoisan will get tax relief on essentials: groceries, gas, your home, and back-to-school supplies, with even more tax relief going into effect next

year,” said Governor JB Pritzker. “We are sending \$1.8 billion in tax relief to Illinois families – and we are doing that because Democrats balanced the budget, eliminated the bill backlog, and state government is now running a surplus. In challenging times like these, it’s more important than ever to have a government whose first focus is on working families and those who are struggling, and leadership that provides new and creative ways to deliver relief when you need it most.”

“Amid historic rates of inflation, the people of our state deserve to know that they are not on their own. We are with them,” said Lt. Governor Juliana Stratton. “This \$1.8 billion in tax relief ensures that Illinoisans in every community, rural and urban, are seen and supported. When our residents are feeling the weight of buying food, gas, and making ends meet, Illinois acts to ease the burden.”

The [Family Relief Plan](#) includes several tax holidays, meaning a temporary cut in taxes, including:

- Groceries: The state’s 1% sales tax on groceries will be suspended July 1 through June 30, 2023, saving consumers \$400 million.
- Gas: The state’s normally scheduled increase in the motor fuel tax will be delayed from July 1 to January 2023, saving consumers \$70 million.
- School supplies: Sales taxes for qualified clothing and school-related items will be reduced from 6.25% to 1.25% for a 10-day window from August 5 to 14, saving consumers \$50 million. Items include qualifying clothing and footwear with a retail selling price of less than \$125 per item. Eligible school supplies are not subject to the \$125 threshold.

In addition, the plan permanently expands the state’s earned income credit from 18% to 20% of the federal credit, while expanding the number of households covered, putting an additional \$100 million per year back into the pockets of working families who need it the most.

The State of Illinois is also providing property tax rebates for eligible homeowners in an amount equal to the property tax credit they qualified for on their 2021 Illinois tax returns, up to a maximum of \$300. The rebate is not allowed if a taxpayer’s adjusted gross income for the taxable year exceeds \$500,000 for returns with a federal filing status of married filing jointly, or \$250,000 for all other returns.

Additionally, individuals who made less than \$200,000 in 2021 will receive \$50 income tax rebates. Couples filing jointly with incomes under \$400,000 will receive \$100. Tax filers will also receive \$100 per dependent they claimed on their 2021 taxes, up to three dependents.

Income and property tax rebates will be automatically issued to all of the estimated 6.2 million taxpayers who qualify under the Family Relief Plan based on information included in their submitted 2021 tax returns. Comptroller Susanna Mendoza will issue the rebates and expects to begin to cut checks the week of September 12. Distribution will take roughly eight weeks after the rollout begins.

Taxpayers who *did not* file their 2021 IL-1040 individual income tax returns but want to claim the individual income tax rebate, both the property tax and individual income tax rebates, or solely claim the property tax rebate, can do so. The Department of Revenue will provide an online submission form via the website listed below.

Rebates will be sent automatically using the same method original refunds were transmitted if they were sent directly to the taxpayer by the State of Illinois. If direct deposit was used, the individual rebate will be deposited directly into a taxpayer's account. If there was no refund or a paper refund was issued, the rebate will be mailed to the address on file. Taxpayers who did not receive a refund directly from the State of Illinois, such as those who received an advance of their refund from their tax preparer, will receive a paper rebate check mailed to the address on file.

“Responsible budgeting – putting \$1 billion toward the Rainy Day Fund; \$500 million in additional pension payments – allows us to offer taxpayers relief when inflation threatens working families’ buying power,” Comptroller Susana Mendoza said. “The bond rating agencies have praised the approach Illinois is taking now by budgeting responsibly, which is why they have given us six upgrades in the past year, compared to eight downgrades under the previous administration.”

“We balanced the budget, raised our credit rating, increased funding for local schools, seniors, higher ed and healthcare, plus we’re sending \$1.8 billion in tax relief directly to Illinois families,” said Majority Leader Greg Harris, (D-Chicago). “I’m proud we’re both socially responsible and fiscally responsible. There’s more work to do but Illinois is back, and we’re moving forward.”

“The Illinois Family Relief Plan helps to ease inflationary pressures felt by families across this state at a time they need it most,” said House Speaker Emanuel “Chris” Welch. “Because of consistent responsible budgeting by Democrats, we’re able to cut taxes on everyday necessities like groceries and freeze taxes on gas, while also providing much-needed property tax rebates. We know people are struggling and I’m grateful we’re able to put money back into the pockets of hardworking Illinoisans.”

“By including ITIN filers in this historic expansion, we’re making sure immigrants get the relief they need,” said Assistant Majority Leader Lisa Hernandez, (D-Cicero). “These hard-working residents pay the taxes that fund these programs and they deserve to see its benefits. Under the Illinois Family Relief Plan, they finally will.”

“As we worked to put this year’s budget together, we realized the strong financial footing we were standing on based on the hard work done by Democrats in the General Assembly and the Pritzker Administration. So we continued to prioritize fiscal responsibility and support for working families,” said State Senator Elgie R. Sims, Jr. (D-Chicago). “We prioritized families struggling to make ends meet, the single mom worrying about how she’ll afford school supplies and child care, and the family who feels they can’t catch a break – and we put together a fiscally responsible, compassionate plan to signal to each of those families that their needs are what we are fighting for. Illinois is paying its bills and we are fighting to help struggling families pay theirs as well.”

"Rising inflation has been hard on Illinois' working families, but we wrote this budget to provide relief," said State Rep. Robyn Gabel, (D-Evanston). "Cutting everyday expenses such as gas and groceries while expanding the earned-income tax credit to include all immigrant families will ease the heavy burdens people have had to shoulder. Along with major investments in healthcare, affordable housing and mental health assistance programs, I am confident that Illinois will overcome the challenges we are facing to build a stronger future for our children."

“The Illinois Department of Revenue (IDOR) will certify the list of eligible taxpayers and the rebates will be issued by the Comptroller’s Office,” said IDOR Director David Harris. “Though the 2021 tax deadline was April 18, all income taxpayers who file before Oct. 17 will be eligible for rebate checks.”

For additional information, taxpayers may visit IDOR’s website at tax.illinois.gov. Taxpayer representatives can also provide assistance at 1- 800-732-8866 or 217-782-3336.