

FUNDING OUR FUTURES

The Equitable Revenue Policies Illinois Families Need to Thrive

EXECUTIVE SUMMARY

We envision a state that meets the basic human needs of all Illinoisans:

- Providing healthcare and childcare for all
- Adequately funding our public schools
- Creating a child tax credit and other direct cash assistance for lower-income families
- Ending homelessness
- Providing housing and services to returning citizens
- Ensuring that home care workers are properly compensated
- Address recidivism by ensuring that returning citizens have access to employment with a living wage

Too often, the needs of one community are held up against the needs of another. Working families are caught in the middle, forced to fight over crumbs in the state budget, while billions in potential revenue are left on the table from big corporations and the wealthiest Illinoisans, who can easily contribute more to ensure our state is welcoming and caring for all.

In this report, members of the Illinois Fund Our Futures coalition will lay out some of the new revenues that the General Assembly and Governor can pass in order to fund the programs needed to ensure families across Illinois can thrive. These include:

- **Reform Retailer's Discount:** Retailers are currently allowed to keep a portion of sales tax intended to cover costs to administer the tax. Illinois could cap the amount so it doesn't become a tax giveaway to large retail corporations. (Generating approximately \$160 million)
- **Tax on Digital Advertising:** Digital ad sales mostly benefit a few large corporations. These big tech firms profit off our data without paying what they owe in taxes. To remedy this, many states are considering a tax on digital advertisement. (\$650 million)
- **Close Corporate Tax Loopholes:** In 2021, Governor Pritzker's budget proposed eliminating a set of "corporate tax loopholes." Strong budget advocacy resulted in successful closure of some of these, but several remain. Closing those additional loopholes would result in significant revenue. (\$175 million)
- **Billionaire Mark-to-Market Tax:** Billionaires do not pay Illinois income tax on much of the rapid increase in their wealth. Income tax has mostly been whittled down to a tax on wages not wealth. Billionaires should pay tax on their skyrocketing asset values. (\$510 million)
- **Reform the Estate Tax:** The Illinois estate tax is a critical tool for keeping inequality in check, but recent changes have reduced its revenue potential. The estate tax should be reformed to more effectively tax the dynastic wealth of the super rich. (\$150 million)

Now is not the time to scale back – it's time to generate the necessary revenue and consistent funding for the essential programs that help low and moderate income families succeed.