

FACT SHEET

GOOD FISCAL POLICY

HB/SB 750 Makes the Grade!

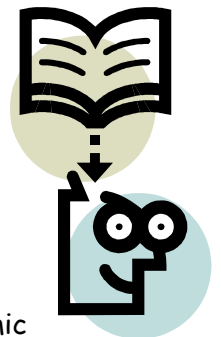
Tax Policy 101 - There are four basic elements of a sound tax system.

FAIR - Ensures low and moderate income families do not pay more in taxes than wealthy families (measured as a percentage of income).

RESPONSIVE - Generates revenue from areas of the economy that are growing and decreases dependence on areas that are declining.

STABLE - Provides a reliable and secure source of revenue for the state, even during economic downturns.

EFFICIENT - Fosters an environment where the tax system does not influence business decisions and consumer behavior.



Pop Quiz: How does HB/SB 750 measure up?

Is HB/SB 750 Fair? - YES! HB/SB 750:

- Reduces Illinois' reliance on local property taxes and wealth to fund public schools, which has resulted in the most unfair school funding system in the nation.
- Provides over **\$2.7 billion in property tax relief to local tax payers** and **increases state funding of education** through a 2% increase in the income tax rate.
- Establishes the refundable Family Tax Credit, providing almost **\$1 billion of tax relief to hardworking middle and low income families** and ensuring the bottom 60% of income earners in Illinois will not, on average, pay any more in taxes than they did before HB/SB 750 becomes law.

Is HB/SB 750 Responsive and Stable? - YES! HB/SB 750 expands the sales tax to include the fastest growing area of our economy - the service sector; this **generates an additional \$2 billion predictable, responsive and transparent revenue source** for Illinois, capitalizing on the sector of our economy with the most growth.

Is HB/SB 750 Efficient? - YES! HB/SB 750 is designed so that businesses will not have an incentive to base decisions around proposed changes in the tax structure.

For more information, contact the Center for Tax and Budget Accountability:

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