

# FAIRECONOMY ILLINOIS

Written Testimony  
Subject Matter Hearing: Illinois Tax and Tax Incentive Policies  
January 17, 2014

Fair Economy Illinois is a statewide coalition representing Illinoisans from all walks of life. We are urban, suburban and rural. We hail from religious congregations, small business and labor organizations, grassroots neighborhood groups, student groups, social service agencies and many others. We are comprised of three organizations – IIRON (Illinois-Indiana Regional Organizing Network), Illinois People's Action and ONE Northside.

We applaud the Illinois legislature for taking a serious look at the state's tax and tax incentives policy. For years, we have argued that the state is not bringing in adequate revenue in order maintain our infrastructure and provide services for our residents. The need for increased revenue rings especially true as the temporary increase in the corporate and individual tax rates will sunset in 2015 without legislative action.

We commend these committees for taking a serious look at the tax incentives and credits that we all know about - EDGE, TIF, etc. But please be aware that there are hundreds of millions of dollars taken in corporate tax deductions and exemptions even before these tax credits go into effect, and about which we have no specific information. This is why ADM and others want to take credits on their employees' withholding taxes instead of their corporate income tax; the exemptions and deductions make their corporate tax liability zero.

According to the Department of Revenue, two-thirds of corporations operating in Illinois pay nothing in corporate income tax to the state of Illinois. This includes one-third of the top companies on the Fortune 100 list. The people of Illinois, as well as members of the General Assembly, need to know who these corporations are, and how they are getting away with it.

Fair Economy Illinois believes the legislature cannot make fair decisions about taxes and tax incentive policies until we have corporate tax disclosure. We strongly encourage the legislature to pass **HB3627 – the Illinois Corporate Responsibility and Tax Disclosure Act**.

This bill is needed so that the legislature and the citizens of Illinois can make judgments about corporate tax questions that cannot be answered through aggregate, summary data. Here are some of those questions:

1. Why do some profitable corporations pay a full amount of Illinois taxes while others pay little or nothing? Is it because of inequitable tax breaks? Or are the laws too weak to counter tax games played by some specific corporations?
2. What is the public getting in return for special incentives provided in the law? Are corporations who benefit from incentives keeping promises they made about increasing investments and creating Illinois jobs?
3. Are specific corporations paying enough in taxes for the public services they require, or do they receive hidden subsidies from other taxpayer who pay more in taxes because these corporations pay too little for the services they use?

We need HB3627 to become law in order to identify what each publicly traded corporation pays in state corporate income tax, and how much benefit it derives from each tax incentive and loophole. Armed with this information, we can revamp the corporate tax code. Tax disclosure is the first step toward a fair and equitable tax code that will bring in adequate revenues so the state can continue to deliver high quality services to its residents and maintain its infrastructure.

*FAIR ECONOMY ILLINOIS is a collaboration of IIRON (Illinois-Indiana Regional Organizing Network), Illinois People's Action, ONE Northside, Northside P.O.W.E.R., National People's Action, Southsiders Organized for Unity and Liberation (SOUL), The People's Lobby and other organizations throughout Illinois. For more information, contact Don Floyd at [dfloyd@iiron.org](mailto:dfloyd@iiron.org).*