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LRB101 21529 JWD 72316 r

1 SENATE JOINT RESOLUTION

2 WHEREAS, The 101st General Assembly of the State of  
3 Illinois has submitted Senate Joint Resolution Constitutional  
4 Amendment 1, a proposition to amend the Illinois Constitution,  
5 to the voters of Illinois at the November 2020 general  
6 election; and

7 WHEREAS, The Illinois Constitution Amendment Act requires  
8 the General Assembly to prepare a brief explanation of the  
9 proposed amendment, a brief argument in favor of the amendment,  
10 a brief argument against the amendment, and the form in which  
11 the amendment will appear on the ballot, and also requires the  
12 information to be published and distributed to the electorate;  
13 therefore, be it

14 RESOLVED, BY THE SENATE OF THE ONE HUNDRED FIRST GENERAL  
15 ASSEMBLY OF THE STATE OF ILLINOIS, THE HOUSE OF REPRESENTATIVES  
16 CONCURRING HEREIN, that the proposed form of Section 3 of  
17 Article IX shall be published as follows:

18 "ARTICLE IX

19 REVENUE

20 SECTION 3. LIMITATIONS ON INCOME TAXATION

21 (a) The General Assembly shall provide by law for the rate

1 or rates of any tax on or measured by income imposed by the  
2 State. ~~A tax on or measured by income shall be at a~~  
3 ~~non-graduated rate. At any one time there may be no more than~~  
4 ~~one such tax imposed by the State for State purposes on~~  
5 ~~individuals and one such tax so imposed on corporations.~~ In any  
6 such tax imposed upon corporations the highest rate shall not  
7 exceed the highest rate imposed on individuals by more than a  
8 ratio of 8 to 5.

9 (b) Laws imposing taxes on or measured by income may adopt  
10 by reference provisions of the laws and regulations of the  
11 United States, as they then exist or thereafter may be changed,  
12 for the purpose of arriving at the amount of income upon which  
13 the tax is imposed."; and be it further

14 RESOLVED, That a brief explanation of the proposed  
15 amendment, a brief argument in favor of the amendment, a brief  
16 argument against the amendment, and the form in which the  
17 amendment will appear on the ballot shall be published and  
18 distributed as follows:

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**PROPOSED AMENDMENT  
TO SECTION 3 OF ARTICLE IX  
OF THE ILLINOIS CONSTITUTION**

**That will be submitted to the voters  
November 3, 2020**

**This pamphlet includes**

- EXPLANATION OF THE PROPOSED AMENDMENT***
- ARGUMENTS IN FAVOR OF THE AMENDMENT***
- ARGUMENTS AGAINST THE AMENDMENT***
- FORM OF BALLOT***



1 with higher income levels and lower tax rates on those with  
2 middle or lower income levels. You are asked to decide whether  
3 the proposed amendment should become a part of the Illinois  
4 Constitution.

5 **Arguments in Favor of the Proposed Amendment**

6 Illinois' current tax system unfairly benefits  
7 millionaires and billionaires and this amendment will set  
8 things right for middle-class and working people. Currently, it  
9 is unfair that billionaires pay the same tax rate as regular  
10 people.

11 Voting "yes" on the amendment means that the State will  
12 enact a new tax structure where only those making above  
13 \$250,000 a year will see their taxes go up.

14 This amendment is simply upgrading Illinois' old tax system  
15 to a graduated system which is how the federal government and  
16 the majority of other states do it.

17 **This Amendment Would Make Illinois' Tax System Fair**

18 Approval of this amendment would enact a fair system that  
19 allows the state to tax wealthy people at higher rates and  
20 lower income people at lower rates, replacing Illinois' current

1 unfair tax system, in which wealthy people pay the exact same  
2 tax rate as lower and middle income people.

3 Illinois' current tax system unfairly benefits  
4 millionaires and billionaires, and approval of this amendment  
5 will set things right for the middle class and working people.

6 This amendment will help small business owners by creating  
7 a stable economic environment for their businesses to thrive.

8 While others try to mislead you, under the current tax  
9 system in Illinois, policymakers already have the authority to  
10 set any tax rate and to change tax rates at their will. The  
11 current system forces policymakers to charge the same tax rate  
12 to everyone, regardless of how much money they make. If this  
13 amendment passes, the State will have the ability to tax higher  
14 income earners at a different rate. In fact, upon passage of  
15 this Amendment, a new tax structure will go into effect where  
16 97% of taxpayers will pay the same or less, while only those  
17 making more than \$250,000 a year will see a tax increase.

18 This amendment does not tax retirement income.

19 **The Federal Government and Most States Use the Graduated Tax**  
20 **System Proposed in this Amendment, Not the Unfair System**  
21 **Currently Used in Illinois**

1 Illinois is among a minority of states that do not utilize  
2 graduated tax rates because the Illinois Constitution requires  
3 a "flat tax" that penalizes middle-class and working people and  
4 benefits higher income individuals.

5 A majority of states and the federal government already use  
6 the kind of graduated income tax system proposed in this  
7 amendment to ensure that wealthy people pay their fair share of  
8 taxes.

9 Nearby states including Iowa, Minnesota, Missouri, Ohio,  
10 and Wisconsin are among the majority of states that have  
11 graduated tax systems.

12 **Illinois' Current Income Tax System Relies on Taxes from Middle**  
13 **and Lower Income Earners, While a Graduated System Would Lower**  
14 **that Burden and Fund Critical Programs such as Education and**  
15 **Human Services**

16 While some states have fair tax rates in which the highest  
17 income earners pay the highest tax rate, Illinois' "flat tax"  
18 rate continues to rely unfairly on taxes from middle and lower  
19 income earners.

20 Under Illinois' "flat tax" structure, a nurse making

1 \$50,000 per year pays the same tax rate as an executive making  
2 \$4 million per year. A graduated tax rate would have the  
3 executive pay more.

4 Because of the way our current tax system is set up, the  
5 bottom fifth of Illinois taxpayers (those making below \$21,800)  
6 contribute 14.4% of their income to state and local taxes,  
7 compared to 7.4% for the top 1 percent of Illinois taxpayers.

8 If this Amendment passes, the State has already enacted a  
9 new graduated tax structure where 97% of taxpayers will pay the  
10 same or less.

11 Under the new tax structure, only the top 3% of Illinois  
12 income earners would pay more in income taxes. Everyone who  
13 makes \$250,000 or less a year would pay the same or less.

14 Over 95% of small businesses earn \$250,000 or less a year  
15 in profits, and their owners will not see a tax increase under  
16 the new tax structure.

17 This change will generate additional revenue each year  
18 that can help address Illinois' budget deficit and fund  
19 critical programs, including the State's education system,  
20 public safety, and social services like mental health and  
21 substance abuse treatment and domestic violence shelters.



1 **After the COVID-19 Pandemic, We Need to Do All We Can to Help**  
2 **the Economy and Middle-Class and Working People**

3 Working people and essential workers like nurses, first  
4 responders, and grocery store clerks should not pay the same  
5 tax rate as the wealthy. Nurses making \$50,000 a year should  
6 not pay the same tax rate as an executive making \$4,000,000 a  
7 year.

8 Having wealthy people pay more would reduce the burden on  
9 working families. This is money that middle and lower income  
10 people need for housing, groceries, medicine, and essentials.

11 When the wealthiest people pay more, middle and lower  
12 income earners can pay less while the State funds critical  
13 services that our essential workers rely on.

14 **Arguments Against the Proposed Amendment**

15 1. The Amendment gives the Legislature power to increase  
16 taxes on any group of taxpayers with no limits and no  
17 accountability and without any requirement to use the  
18 additional revenue to fund essential needs such as healthcare,  
19 education, or public safety.

1           2. Taxes and spending are out of control. The Legislature  
2 should not be allowed to keep raising taxes until they get  
3 their spending under control.

4           3. In the wake of the COVID-19 pandemic, now is the worst  
5 possible time for a massive tax increase.

6           The Amendment gives the Legislature power to increase taxes on  
7 any group of taxpayers with no limits and no accountability and  
8 without any requirement to use the additional revenue to fund  
9 essential needs such as healthcare, education, or public  
10 safety.

11           The proposed amendment would give the Legislature  
12 unlimited new authority to increase income tax rates on any  
13 group of taxpayers at will, including low-income and  
14 middle-income families and small business owners. There would  
15 be no limit on the number of tax brackets that could be created  
16 and no limit on how high tax rates could be increased on  
17 individual taxpayers. In addition, this proposed change will  
18 pave the way for a tax on retirement income.

19           Nothing in the amendment requires the Legislature to do  
20 anything to control spending. Nor does it require funds to be  
21 spent on essential needs such as healthcare, education, or  
22 public safety. It would simply give the Legislature a blank

1 check to spend billions of dollars however they want, with no  
2 accountability.

3 **Taxes and spending are out of control. The Legislature should**  
4 **not be allowed to keep raising taxes until they get their**  
5 **spending under control.**

6 Illinois already has some of the highest property taxes and  
7 sales taxes in the nation. And the Legislature has increased  
8 Illinois income tax rates twice in the past decade to try to  
9 deal with the out-of-control spending in Springfield.

10 Even before the COVID-19 pandemic, our state had a huge and  
11 growing multi-billion-dollar budget deficit, and the unfunded  
12 pension liability skyrocketed to over \$137 billion. That's  
13 because the Legislature has continued to increase state  
14 spending instead of eliminating government waste, corruption,  
15 and abuse.

16 Because they refuse to control spending or pass major  
17 reforms, the Legislature will just continue to raise taxes on  
18 everyone in Illinois, and middle-class families will be their  
19 next target.

20 **In the wake of the COVID-19 pandemic, now is the worst possible**  
21 **time for a massive tax increase.**

1           The COVID-19 pandemic caused layoffs, unemployment,  
2 bankruptcies, and closures. As small businesses and local  
3 employers struggle to rebuild, this is the worst possible time  
4 to impose huge new tax increases. Even before the COVID 19  
5 crisis, many residents and businesses were leaving the state  
6 because of the high tax burden. If the Amendment passes, it  
7 would be the last straw for thousands of small businesses,  
8 causing more jobs to leave the state, and making Illinois lose  
9 out on investments to rebuild our economy. This would mean  
10 fewer jobs and less opportunity for Illinois families.

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**FORM OF BALLOT**

12

Proposed Amendment to the 1970 Illinois Constitution

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Explanation of Amendment

14

The proposed amendment grants the State authority to impose  
15 higher income tax rates on higher income levels, which is how  
16 the federal government and a majority of other states do it.

17

The amendment would remove the portion of the Revenue Article  
18 of the Illinois Constitution that is sometimes referred to as  
19 the "flat tax," that requires all taxes on income to be at the  
20 same rate. The amendment does not itself change tax rates. It  
21 gives the State the ability to impose higher tax rates on those  
22 with higher income levels and lower income tax rates on those

1 with middle or lower income levels. You are asked to decide  
 2 whether the proposed amendment should become a part of the  
 3 Illinois Constitution.

4 -----

5 YES For the proposed amendment  
 6 ----- of Section 3 of Article IX  
 7 NO of the Illinois Constitution.

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