

FAIR ECONOMY ILLINOIS

CORPORATE TAX ACCOUNTABILITY: Ensuring Transparency and Closing Loopholes

The State of Illinois continues to cut hundreds of millions of dollars from education, healthcare and human services each year. Meanwhile, according to the Director of the Illinois Department of Revenue, *two-thirds of Illinois corporations pay no corporate income tax to the state*. Large corporations need to pay their fair share in taxes to help solve the state's revenue crisis.

House Bill 3627, The Illinois Corporate Responsibility and Tax Disclosure Act, is a simple piece of legislation that provides for transparency. It calls for publicly traded corporations to disclose the amount of corporate income taxes they pay to the State of Illinois. This information would be available to the general public via the Internet two years after the fact.

Why is this important?

- ✓ Under current law, no one—including state legislators—knows which corporations do or do not pay corporate income tax, how much each corporation pays, or why some pay and others don't.
- ✓ Illinois is in a revenue crisis, and we need to have a fair and just system where legislators and policy-makers understand who is paying how much, so that everyone pays a fair share.
- ✓ HB 3627 will not affect small businesses. Only publicly traded corporations – i.e., companies big enough to have stockholders – will have to disclose their taxes.
- ✓ Publicly traded corporations already tell shareholders how their investments resulted in losses and profits. The people of Illinois deserve the same.
- ✓ HB 3627 specifically prohibits the disclosure of any information that is considered confidential under federal law.

Senate Bill 1159 and House Bill 390 are amendments to the Illinois Income Tax Act that close three unnecessary corporate tax loopholes in order to pay \$445 million in unpaid state bills each year, including many payments owed to human service providers. The three loopholes to be closed include: Taxing Foreign Dividends, \$320 million; Decoupling from the federal Domestic Activities Production Deduction, \$100 million; Repealing the Noncombination Rule, \$25 million.

Why is this important?

- ✓ These three corporate loopholes do not generate economic activity in Illinois, but instead allow large corporations to avoid paying nearly a half-billion dollars in taxes that the state desperately needs.
- ✓ Despite reducing the backlog of bills over the past four years by nearly \$2 billion, Illinois still has \$6.8 billion worth of unpaid bills from the general fund.
- ✓ Currently, many human services providers, including school districts, higher education institutions and local governments, have to wait several months to receive payments from the State.

FAIR ECONOMY ILLINOIS is a collaboration of IIRON (Illinois-Indiana Regional Organizing Network), Illinois People's Action, Lakeview Action Coalition, 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.



Illinois Survey Results

Q1 The Illinois Director of Revenue has testified that two-thirds of Illinois corporations pay no Illinois corporate income tax. Do you think that this helps or hurts the Illinois economy?

Helps economy 20%
Hurts economy..... 66%
Not Sure..... 14%

Q2 The Illinois Senate has passed a bill calling for publicly traded corporations to report some of their tax information to determine which corporations are or aren't paying taxes, and why. Do you think it's a good idea or a bad idea to find out how much corporations pay in taxes?

Good idea 79%
Bad idea..... 15%
Not Sure..... 6%

Q3 Do you think Illinois would be in better or worse financial shape if some of the state corporate tax loopholes were closed?

Better shape 65%
Worse shape..... 21%
Not sure..... 14%

Q4 Illinois collects approximately 55% of its revenue from personal income taxes and 8% from corporate income taxes. Do you think this division of taxes is fair for everyone, unfair because corporations don't pay enough, or unfair because corporations pay too much?

Fair for everyone..... 16%
Unfair- corporations don't pay enough..... 68%
Unfair- corporations pay too much..... 8%
Not sure..... 8%

Q5 Do you think that most Illinois politicians better represent the interests of the people in their district, or more the interests of large corporations and their lobbyists?

People in their district..... 13%
Large corporations/their lobbyists 70%
Represent both equally..... 5%
Not sure 12%

Q6 If you are a woman, press 1. If a man, press 2.

Woman 53%
Man..... 47%

Q7 If you are a Democrat, press 1. If a Republican, press 2. If you're an independent, press 3.

Democrat 47%
Republican..... 29%
Independent..... 24%

Q8 If you are Hispanic, press 1. If white, press 2. If African-American, press 3. If other, press 4.

Hispanic..... 12%
White 68%
African-American 13%
Other..... 7%

Q9 If you are 18-29 years old, press 1. If 30-45, press 2. If 46-65, press 3. If older than 65, press 4.

18-29 15%
30-45 26%
46-65 39%
Older than 65..... 20%

