Responsible Budget Coalition

For Immediate Release

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Responsible Budget Coalition Applauds Illinois Legislature Closing Corporate Tax Loopholes

Chicago, IL — The Responsible Budget Coalition (RBC), which consists of nonprofit, advocacy, labor, and community organizations representing and serving millions of Illinois families, children and seniors in every part of our state, applauds the Illinois legislature for passing a state budget that closes corporate tax loopholes. Closing these corporate tax loopholes will generate the revenue needed to close this year's budget deficit and will provide revenue for public services in the years to come.

After a year of unprecedented challenges in which tens of thousands of Illinois residents died of COVID-19, millions became unemployed, and the resulting crises of hunger, housing and other economic hardships fell disproportionately on Black and Brown communities, the people of our state need robust public services now more than ever.

To ensure most of these vital public services would not be cut, the legislature closed these corporate tax loopholes: Rolling back the Federal Tax Cuts and Jobs Act (TCJA) of 2017 accelerated depreciation deduction; Capping corporate net operating loss deductions at $100,000 for the next three years; Rolling back the TCJA foreign-source dividend deduction; and freezing the corporate franchise tax. Closing these corporate tax loopholes will generate more than $655 million in revenue each year. These are not new ideas or untried approaches; many other states have already wisely closed these loopholes, and many legislative caucuses have long recommended doing so here as well.

The reality is that every special favor written into the tax code for the benefit of a profitable corporation is an expenditure and should be weighed as such. These corporations have had ample opportunity to come before the General Assembly and attempt to justify these loopholes, but they failed to do so.

RBC will continue to work with legislative leaders to ensure Illinois has the continued revenue to meet the needs of its people.

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The Responsible Budget Coalition Executive Committee consists of the following organizations: AFSCME Council 31, AIDS Foundation of Chicago, Center for Tax and Budget Accountability, Chicago Coalition for the Homeless, Citizen Action/Illinois, Grassroots Collaborative, Heartland Alliance, Illinois Action for Children, Illinois AFL-CIO, Illinois Education Association, Illinois Federation of Teachers, Illinois Partners for Human Services, Latino Policy Forum, League of Women Voters of Illinois, ONE Northside, SEIU HCII, SEIU Local 73, Shriver Center on Poverty Law, Thresholds, and Voices for Illinois Children.