



**Virtual Workforce 360  
A Fair Tax for Illinois**

**#Workforce360**

*September 9, 2020*

**Chicago Jobs Council**

# Introductions



- Share your name and organization in the chat.
- Share a response to this question as well:  
“Imagine the state of Illinois had more money to invest in your organization and community. What would you do at your program with more state funding?”

# Logistics



- This meeting is being recorded
- Please remain muted when not speaking
- Questions? Use the chat box
- Tech trouble? [angela@cjc.net](mailto:angela@cjc.net) can help



# Agenda

**9:30 Welcome & Introductions**

**9:45 Fair Tax? Why? How?**

**10:15 Community Based Organizations in the  
Fight for a Fair Tax**

**10:30 Questions & Answers**

**10:50 Announcements**



# **Fair Tax? Why? How?**

John Bouman & Mina Patel

**VOTE YES!**  
**FOR FAIR TAX**

# Winning a Fair Tax for Illinois

PAID FOR BY VOTE YES FOR FAIR TAX

# Agenda: **Where We're Going**

- What's Wrong With Our Current Tax System?
- What Is the Fair Tax?
- What Will the Fair Tax Do for Us?
- How Do We Pass the Fair Tax?



# Who We Are

**Vote Yes for Fair Tax is nonpartisan ballot committee made up of a diverse coalition of organizations that work with and for families and communities across Illinois.**

**Through educational events like this, empowering community spokespeople and champions, directly engaging voters, and working in community, we hope to see Fair Tax reform a reality in Illinois.**





# The Big Picture

Fair Tax reform means **tax fairness** for Illinois: a **tax cut** for those making less than \$250,000, while the wealthy are asked to pay their fair share.

Fair tax reform also raises around \$3 billion a year that can provide **fair funding** for schools, health care, jobs and other priorities in every community



# Fair Tax Explained in (About) a Minute



**VOTE YES!**  
FOR FAIR TAX

# What's Wrong With Our Current Tax System?

**VOTE YES!**  
**FOR FAIR TAX**

# Our Current Tax System Is Unfair and Inadequate

This old way of taxing income in Illinois is unfair and inadequate:

- It is **unfair** because it falls too heavily on the middle class and those struggling to get there
- It is **inadequate** because it underfunds critical services, pushing up property taxes and forcing cuts to schools, public services and jobs



# Unlike Most States and Federal Government, Illinois Income Tax Rates Are Not Based on Ability to Pay

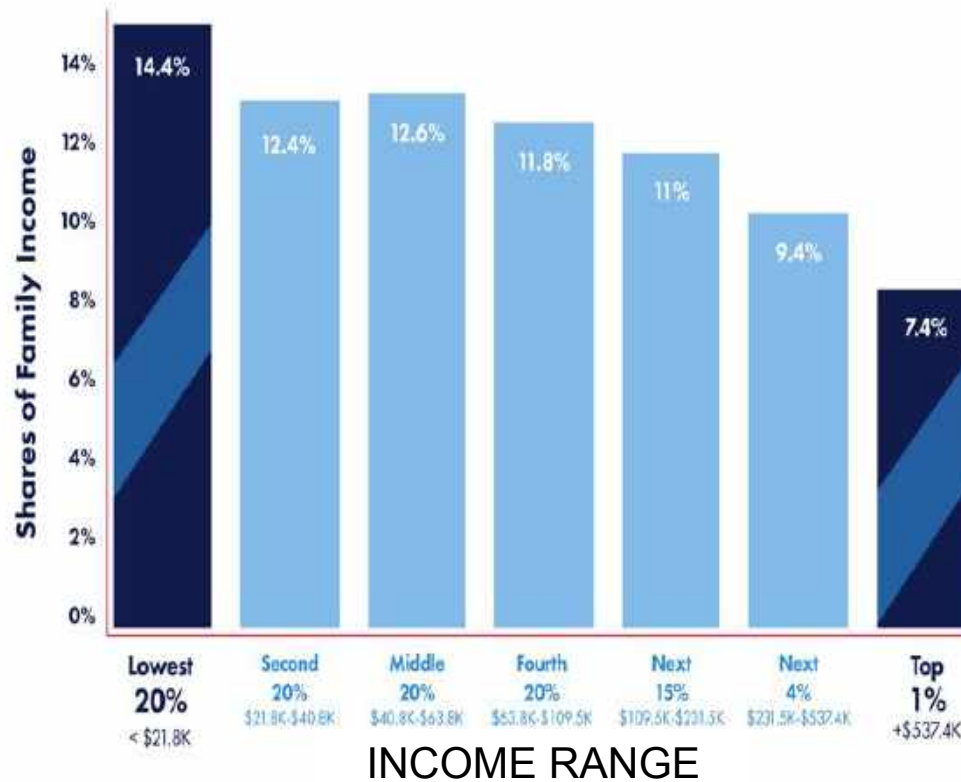
- Illinois' constitution requires all taxpayers to pay the same income rate, regardless of a family's income and ability to pay
- The result is a family making **\$30,000** and a family making **\$3 million** pay the same income tax rate – that's unfair



# The Problem: Illinois' Tax System is Unfair

Working People Pay More of Their Income in Taxes Than the Wealthy

SHARE OF FAMILY INCOME  
PAID IN STATE AND LOCAL  
TAXES

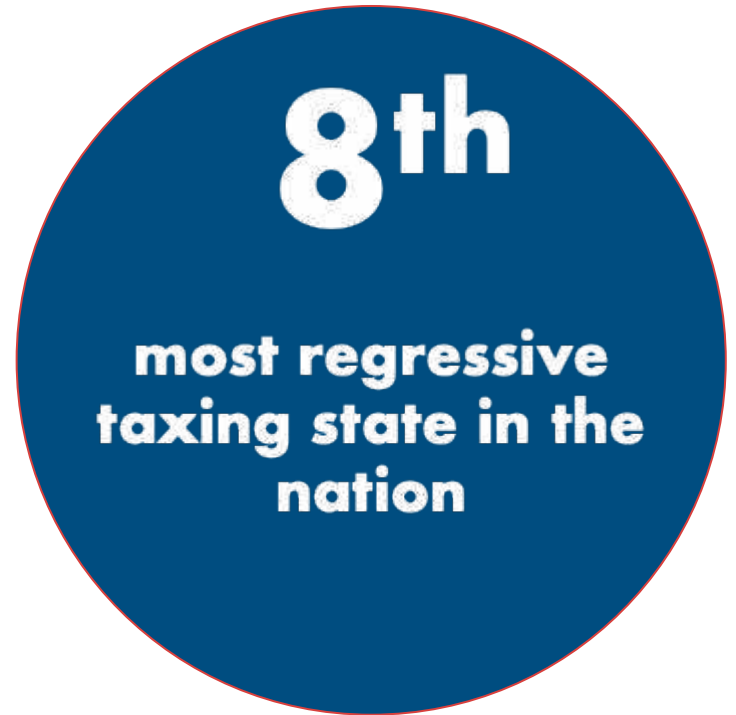


SOURCE: Institute on Taxation and Economic Policy



# Illinois is Near the Bottom in Tax Fairness

The **bottom 20%** of Illinois' earners pay a higher percentage of their income in taxes than any other Midwest state



# Our Public Services Have Suffered Too Many Cuts

Under previous administrations' cuts:

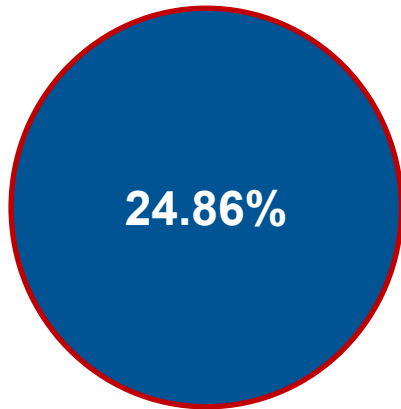
- Mental health treatment facilities and domestic violence shelters were forced to close
- Health care providers struggled to serve patients
- 40,000 low-income children could not receive the childcare they needed
- 7,500 higher education jobs were lost





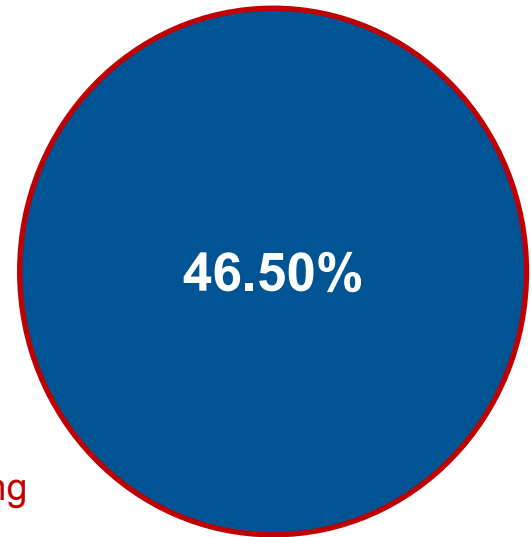
# Our Current Tax System Fails to Properly Fund Education

A chief responsibility of our state tax system is to fund public education, but traditionally...



Illinois

VS



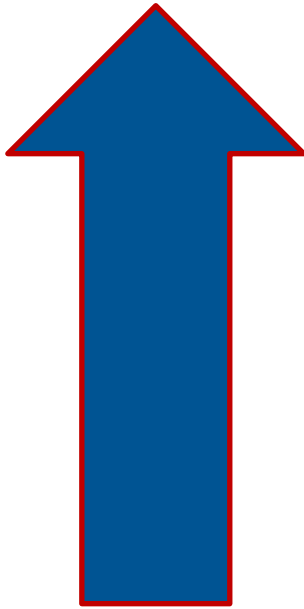
National Average

State Share of Education Funding

*\*Based on FY16, Source CTBA*



# Our Broken Tax System Pushes Property Taxes Up



- Illinois's failure to adequately fund education forces local governments to shoulder more of the education burden
- The main mechanism for local governments to fund education is property taxes, **resulting in higher property taxes for our middle-class families**

# What Is the Fair Tax?

**VOTE YES!**  
**FOR FAIR TAX**

**Fair Tax reform** means higher-income earners pay a higher tax rate while lower and middle-income earners pay a lower tax rate.

It is fundamentally fair because it ensures the **wealthy pay their share** while **lifting the burden off middle and working-class families**.



# Majority of States Have a Fair Tax System

- The **majority of states** use a fair tax system, including the majority of our neighboring states
- The **federal government** uses a fair tax system
- We are one of **only four states** to mandate a flat tax in our state constitution



# What Will the Fair Tax Mean for Us?

**VOTE YES!**  
**FOR FAIR TAX**

## Fair Tax Reform Means Tax Fairness for Illinois

- 97% of Illinoisans will get a tax cut or pay no more than they do now
- Only those making more than \$250,000 a year will pay more

**Tax Cut**  
for everyone  
making  
\$250,000/year  
or less



# What Will the Rates Be Under the Fair Tax?

## Single Filers

Income	Marginal Rates
\$0-10,000	4.75%
\$10,001-100,000	4.90%
\$100,001-250,000	4.95%
\$250,001-350,000	7.75%
\$350,001-750,000	7.85%
\$750,000+	7.99%

## Joint Filers

Income	Marginal Rates
\$0-10,000	4.75%
\$10,001-100,000	4.90%
\$100,001-250,000	4.95%
\$250,001-500,000	7.75%
\$500,001-1,000,000	7.85%
\$1,000,000+	7.99%

**VOTE YES**  
FOR FAIR TAX



# Fair Tax Reform Also Includes Additional Tax Cuts for Our Families

- **Expands the property tax credit** from 5% to 6%
- **Implements a child tax credit** of up to \$100 per child



# Fair Tax Reform Means Fair Funding and Investment in Our Communities



Fair Tax reform will generate around \$3 billion that we can invest in

- education,
- jobs programs
- human services, and
- health care



# Fair Tax and Essential Workers



Essential workers, like nurses, grocery store workers, firefighters, and delivery drivers pay nearly twice their income in state and local taxes than the wealthiest Illinoisans.

Now more than ever, these workers deserve tax relief and community investments to get our state back on the right track.



# Fair Tax and Small Business

- The Fair Tax cuts taxes for small businesses and farmers making less than \$250,000 a year in **profit**.
- The Fair Tax will allow us to make smart investments, such as in job training, entrepreneurship programs, and higher education so that people have the skills to build businesses and a strong workforce to help businesses grow.



# How Do We Pass the Fair Tax?

**VOTE YES!**  
**FOR FAIR TAX**

# What's on the Ballot

*The proposed amendment grants the State authority to impose higher income tax rates on higher income levels, which is how the federal government and a majority of other states do it. The amendment would remove the portion of the Revenue Article of the Illinois Constitution that is sometimes referred to as the “flat tax,” that requires all taxes on income to be at the same rate. The amendment does not itself change tax rates. It gives the State the ability to impose higher tax rates on those with higher income levels and lower tax rates on those with middle or lower income levels. You are asked to decide whether the proposed amendment should become a part of the Illinois Constitution.*

Yes/No



**Sign up as an endorser:** [bit.ly/fairtaxendorse](https://bit.ly/fairtaxendorse)

**Sign up to call voters:**

<https://actionnetwork.org/forms/sign-up-to-phone-bank-illinois-voters>

**Set up a presentation:**

[info@yesforfairtax.org](mailto:info@yesforfairtax.org)

**Follow us on social media:**

[facebook.com/YesForFairTax](https://facebook.com/YesForFairTax) @YesForFairTax

**Find additional resources:**

[www.yesforfairtax.org](http://www.yesforfairtax.org)

The logo features the text "VOTE YES!" in a large, bold, blue font, with "YES!" in red. Below it, "FOR FAIR TAX" is written in a smaller, blue font. A red horizontal line is positioned under the word "YES!".

**VOTE YES!**  
FOR FAIR TAX

Q & A

**VOTE YES!**  
**FOR FAIR TAX**



# Common Misconceptions

*MYTH: The Fair Tax gives legislators more power to raise taxes!*

**TRUTH: Fair Tax reform does not change legislators' power to adjust tax rates. It simply gives legislators the ability to create higher rates for higher earners and lower rates for lower earners. 97% of Illinoisans will receive a tax cut if the Fair Tax amendment is adopted.**

*MYTH: The Fair Tax will tax retirement income!*

**TRUTH: Illinois is one of a few states that does not tax retirement income, and absolutely nothing in the Fair Tax amendment changes that fact.**



Thank You

**VOTE YES!**  
**FOR FAIR TAX**

# Community Based Organizations in the Fight for a Fair Tax



Jennifer Brown, Workforce Empowerment & Community Education Director  
Youngwoon Han, Community Organizer

# Fair Tax and Workforce Development

**VOTE YES!**  
**FOR FAIR TAX**

Why does an organization like HANA Center fight for a Fair Tax?



# 1. Organizational Level

# 1) Organizational Level

## *Mission & Vision Alignment*

*HANA Center's Mission Statement:*

“To empower Korean American and multiethnic **immigrant communities** through social services, education, culture, and community organizing to advance human rights.”

*HANA Center's Vision Statement:*

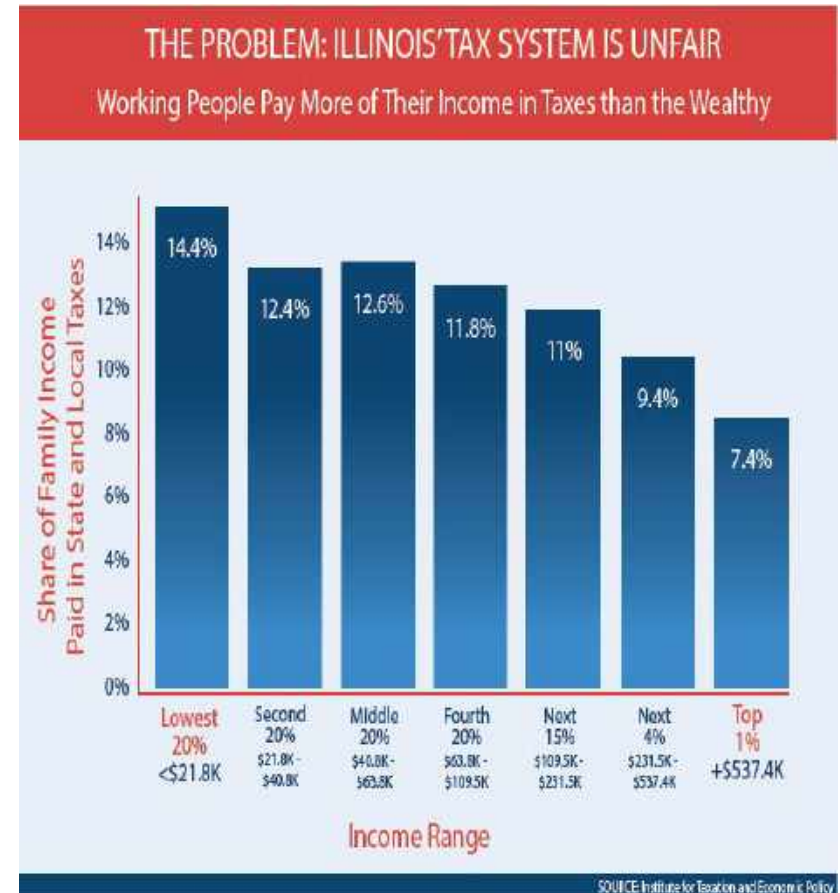
“A world with social, racial, and **economic justice** for all people.”

## 2. Participants Level (Clients)



## 2) Participant Level

*Impacted Population*



## 2) Participants Level

*Client-Centered Approach*

### Fair Tax Calculator

State Base Income/AGI <small>Use Illinois Base Income from Line 9 of most recent state tax FILING form 1040</small>	\$ 26,200	.00
Filing Status	Married (Filing Jointly) ▾	
Are you 65 or older?	No ▾	
Is your spouse 65 or older?	No ▾	
Are you legally blind?	No ▾	
Is your spouse legally blind?	No ▾	
# of Dependents <small>If zero or unknown, leave as "0"</small>	2	
How many of those dependents are under 17 <small>If zero or unknown, leave as "0"</small>	2	
Property taxes paid on principal residence in 2018 <small>If you rent your home or unknown, leave as "0"</small>	\$ 0	.00
Amount of K-12 expenses in 2018 <small>For example: tuition payments or books and lab fees, if zero or unknown, leave as "0"</small>	\$ 0	.00
<a href="#">Calculate</a>		

**Your total taxes owed will decrease  
\$223 under the Fair Tax**

### 3. Participants Level (Businesses)

## 3) Participants Level

*Businesses and Corporations*

*Small Business Owners*

Immigrant community/small business owners will likely see a tax cut

*Larger Corporates*

Fair Tax system would increase purchase power for Illinois. Consequently, it will attract a quality workforce.

How can direct service providers talk to our clients about the Fair Tax Amendment?

## Explaining Taxes Beginner Lesson Plan

\*Adapted from <https://www.usa.gov/taxes-lesson-plan>

### Objectives

Teach students about the concept of taxes (sales tax, state income tax, property tax) without diving too deep into the complex U.S. Tax Code.

- What taxes are, who pays taxes and why we pay them
- General concept of taxes, why they exist, and how they work
- Different type of taxes
- About some goods and services that are paid with taxes
- Basic process of collecting taxes
- Understanding how fair tax will change the income tax levels

**Standard:** CCSS.Math.Practice.MP4

**Time Required:** 1-2 classes

**Recommended Grade Level:** 5-9

**Topics:** Money, Math, Government

**Prework:** Ask students to bring their paychecks, or use this [sample paycheck](#) online.

# Understanding Taxes



Theme 3: Fairness in Taxes



“With the new tax amendment, **only top 3% income earners** will see a tax increase. This means that only households that make **more than \$250,000 a year** will see a tax increase.”

“Current Illinois tax system has a “flat rate” of 4.95% for all people. The problem with this seemingly fair is that the **burden of this tax rate is much greater on the low income** than on the higher income. “

“If we were to change the tax system as we proposed, the state of Illinois will raise more than **\$3 Billion annually** which will be used to fund social services like the ones you accessed today and we will have increased support for new programs.”





Sign our [Pledge Card](#)



**Phone Banking with HANA Center!**

전화...하나?

# Q&A



Ready to take action now?  
[yesforfairtax.org/join-us/](https://yesforfairtax.org/join-us/)



**Thank you!**