OFFICE OF GOVERNOR PAT QUINN **NEWS**

FOR IMMEDIATE RELEASE:
Tuesday, January 10, 2012

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Governor Quinn Signs Legislation to Boost Tax Relief for Working Families

Increase to Earned Income Credit and Personal Exemption to Help Working Families and Stimulate Local Economies

CHICAGO – January 10, 2012. Governor Pat Quinn today signed major legislation to increase tax relief for working families across Illinois. Senate Bill 400 doubles the state's Earned Income Tax Credit (EITC) over two years, saving low-income workers an extra $105 million per year. The new law also benefits all Illinois taxpayers by improving the value of the personal exemption and indexing it to inflation. Throughout the fall veto session, Governor Quinn insisted that tax relief for working families be part of the package.

"One of the best ways to stimulate the local economy is to put more money in the pockets of working families," Governor Quinn said. "This law is a win for workers, a win for families and a win for employers that will support job growth across Illinois for years to come."

Senate Bill 400 provides the largest increase in Illinois' EITC since its inception in 2000, by phasing in a 5 percent increase over two years. The bill boosts the state's EITC from its current level at 5 percent of federal EITC, to 7.5 percent in tax year 2012 and 10 percent of federal EITC in tax year 2013. More than 2.5 million state residents benefited from the Illinois EITC in 2010.

Under the new law, a single mother with one child, earning minimum wage ($12,800 a year), will save $154 on her taxes. A married couple with three children earning $30,000 a year will save $199 on their taxes this year.

Uniquely pro-growth and pro-family, EITC is available only to those with earned income and provides incentive to work as well as much-needed tax relief to the lowest-income families. EITC also boosts local economies through increased consumer demand. A 2006 Brookings Institution study found that every dollar a family saves through this tax credit translates into $1.58 of activity in local economies.

SB 400 was sponsored by Sen. Toi Hutchinson (D-Olympia Fields) and House Majority Leader Barbara Flynn Currie (D-Chicago.)

"The tax relief contained in Senate Bill 400 will benefit every person who files a tax return in Illinois," Sen. Hutchinson said. "Working families for too long have had to deal with increasing expenses and stagnant wages. This legislation is an opportunity to provide meaningful tax relief."

"A fair tax policy should help low-income working families, and our expansion of the state's EITC will do just that," Rep. Currie said. "This credit rewards work, and will help families keep a roof over their head and food on the table."

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Senate Bill 400 also improves the value of the standard personal exemption for all taxpayers in Illinois and ties its continued growth to the rate of inflation. The personal exemption will increase by $50 (to $2,050) in tax year 2012, and the value of the exemption will be indexed to the cost of living adjustment each tax year thereafter. The personal exemption change benefits all taxpayers, regardless of income.

Senate Bill 400 goes into effect June 1.

How to Benefit from the Earned Income Tax Credit (EITC)

To benefit from Illinois' EITC, also known as the Earned Income Credit (EIC), taxpayers must include it on their tax returns. The not-for-profit Center for Economic Progress (CEP) estimates that between 10 and 20 percent of eligible taxpayers did not file for EITC last year.

To help working families achieve the maximum savings on their taxes, the Illinois Department of Human Services (DHS) partners with the CEP Tax Counseling Project to provide free tax preparation assistance at tax assistance centers across the state. The services are provided free of charge to families making less than $50,000 annually and to individuals with yearly incomes under $25,000. More than 28,000 Illinois taxpayers filed returns through the program in the 2010 tax season, with more than $50 million in state and federal tax refunds returned to clients.

DHS also funds the Tax Assistance Program (TAP) which has 23 locations in Chicago and the suburbs. TAP recruits tax professionals to volunteer to assist low-income families. DHS also works with its clients and those who found jobs and have left DHS programs to educate them about tax preparation programs and ways to ensure they receive the maximum refund on their tax returns.

For more information on the Tax Counseling Project, contact the Center for Economic Progress in Chicago at 312-630-0273, or call the toll-free statewide number at 888-827-8511. For information on the Tax Assistance Program call 312-409-1555 or 312-409-4318 (Spanish). Details are also available on the IDHS website at www.dhs.state.il.us and the Department of Revenue website at www.revenue.state.il.us.

Information about filing federal taxes on-line can be found at www.irs.gov.

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Fact Sheet: Illinois Earned Income Tax Credit (EITC)

Boosting Illinois' Earned Income Tax Credit (EITC), also known as the Earned Income Credit, from 5 to 10 percent will help working families and stimulate business growth in Illinois.

EITC is a true business boost that inspires consumer demand - it will put more money in the pockets of everyday working people, and allow them to invest that money back into their local neighborhoods and economies. Customers spending money is precisely what businesses want and need, especially in an economic downturn. It will help them avoid making further layoffs, hire-back employees they were forced to let go and pave the way for future growth.

More facts about the EIC:

- The Tax Reform & Economic Growth proposal will increase the Illinois Earned Income Tax Credit (EITC) to 7.5% of the federal Earned Income Tax Credit (EITC) in 2012 and to 10% of federal EITC in 2013. The increase puts $105 million into working families' pockets, the largest increase in Illinois' EITC since its inception.

- President Ronald Reagan called the EITC "the best anti-poverty, the best pro-family, the best job creation measure to come out of Congress."

- More than 2.5 million people benefitted from the Illinois EITC in 2010

- The EITC provides an incentive to work, as it is available only to persons with earned income. It eases the disproportionately high tax liabilities borne by the lowest-income households.

- A 2006 Brookings Institution study found that every dollar a family saves through the EITC translates into $1.58 of activity in local economies.

- The Illinois EITC is currently set at 5 percent of the federal EITC. When a bipartisan group of Illinois leaders created our state EITC in 2000, the federal EITC was much larger. As a result, Illinois' EITC program is tied for the nation's second-smallest such state credit as currently formulated. SB400 will help Illinois families by increasing the percentage to 10 percent of federal EITC over the next two years.

- Here's how increasing the Illinois EITC would impact hard-working, tax-paying families:
    - A single mother with one child, earning minimum wage ($12,800 a year) will save $154 on her taxes.
    - A married couple with three children, earning $30,000 a year will save $199 on their taxes.

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Illinois Earned Income Tax Credit County-by-County Information

ILLINOIS DEPARTMENT OF REVENUE
ADJUSTED GROSS INCOME COUNTY REPORT
ILLINOIS INDIVIDUAL INCOME TAX
COUNTY REPORT - Tax Year: 2009 - Run from April 2010

COUNTY	Total Number of Illinois Returns	Returns with EITC	Value of EITC	Average EITC Value	% of Returns With EITC
ADAMS	30,631	5,296	$547,137	$103	17.3%
ALEXANDER	2,493	860	$112,116	$130	34.5%
BOND	6,786	1,211	$124,056	$102	17.8%
BOONE	22,684	3,396	$376,038	$111	15.0%
BROWN	2,286	318	$33,163	$104	13.9%
BUREAU	16,005	2,517	$261,251	$104	15.7%
CALHOUN	2,097	269	$29,641	$110	12.8%
CARROLL	7,569	1,198	$119,269	$100	15.8%
CASS	6,128	1,203	$136,236	$113	19.6%
CHAMPAIGN	78,146	11,682	$1,266,205	$108	14.9%
CHRISTIAN	15,399	2,668	$279,832	$105	17.3%
CLARK	7,314	1,194	$124,496	$104	16.3%
CLAY	6,042	1,303	$132,438	$102	21.6%
CLINTON	16,733	2,001	$195,313	$98	12.0%
COLES	20,132	3,746	$381,499	$102	18.6%
COOK	2,212,730	431,838	$51,551,946	$119	19.5%
CRAWFORD	8,596	1,392	$143,099	$103	16.2%
CUMBERLAND	4,526	761	$77,939	$102	16.8%
DEKALB	41,666	5,520	$552,283	$100	13.2%
DEWITT	7,303	1,104	$114,446	$104	15.1%
DOUGLAS	9,187	1,356	$141,030	$104	14.8%
DUPAGE	429,960	40,111	$3,987,234	$99	9.3%
EDGAR	8,049	1,479	$157,825	$107	18.4%
EDWARDS	2,974	524	$49,626	$95	17.6%
EFFINGHAM	16,833	2,576	$259,283	$101	15.3%
FAYETTE	9,044	1,878	$196,003	$104	20.8%
FORD	6,445	981	$104,435	$106	15.2%
FRANKLIN	16,119	3,707	$411,543	$111	23.0%
FULTON	15,720	2,742	$283,154	$103	17.4%
GALLATIN	2,331	460	$49,805	$108	19.7%
GREENE	5,747	1,100	$123,234	$112	19.1%
GRUNDY	21,403	2,609	$264,723	$101	12.2%

HAMILTON	3,464	639	$67,487	$106	18.4%
HANCOCK	8,503	1,372	$143,101	$104	16.1%
HARDIN	1,541	310	$32,888	$106	20.1%
HENDERSON	3,155	561	$59,163	$105	17.8%
HENRY	23,040	3,315	$341,314	$103	14.4%
IROQUOIS	13,319	2,218	$238,262	$107	16.7%
JACKSON	21,914	4,379	$449,369	$103	20.0%
JASPER	4,670	726	$70,557	$97	15.5%
JEFFERSON	16,298	3,442	$376,432	$109	21.1%
JERSEY	9,904	1,421	$146,600	$103	14.3%
JO DAVIESS	10,844	1,435	$137,653	$96	13.2%
JOHNSON	4,679	811	$84,845	$105	17.3%
KANE	208,856	28,432	$3,251,660	$114	13.6%
KANKAKEE	47,046	9,006	$1,040,997	$116	19.1%
KENDALL	47,597	5,033	$527,867	$105	10.6%
KNOX	22,276	4,180	$460,287	$110	18.8%
LAKE	302,024	33,729	$3,713,397	$110	11.2%
LASALLE	51,300	7,697	$804,184	$104	15.0%
LAWRENCE	6,033	1,126	$121,477	$108	18.7%
LEE	16,183	2,418	$244,237	$101	14.9%
LIVINGSTON	16,641	2,453	$254,224	$104	14.7%
LOGAN	12,009	1,881	$200,137	$106	15.7%
MACON	47,680	9,398	$1,098,257	$117	19.7%
MACOUPIN	20,767	3,324	$350,259	$105	16.0%
MARION	16,921	3,666	$408,740	$111	21.7%
MARSHALL	5,806	777	$84,704	$109	13.4%
MASON	7,097	1,227	$130,340	$106	17.3%
MASSAC	6,234	1,401	$167,751	$120	22.5%
MCDONOUGH	12,507	2,059	$197,702	$96	16.5%
MCHENRY	139,220	13,070	$1,258,117	$96	9.4%
MCLEAN	70,965	8,819	$932,989	$106	12.4%
MENARD	5,874	762	$83,180	$109	13.0%
MERCER	7,928	1,077	$106,900	$99	13.6%
MONROE	15,165	1,211	$113,723	$94	8.0%
MONTGOMERY	12,687	2,143	$222,035	$104	16.9%
MORGAN	15,414	2,679	$288,353	$108	17.4%
MOULTRIE	6,769	1,042	$113,966	$109	15.4%
OGLE	24,158	3,493	$360,815	$103	14.5%
PEORIA	82,928	15,215	$1,779,064	$117	18.3%
PERRY	8,647	1,748	$187,602	$107	20.2%
PIATT	7,608	892	$90,305	$101	11.7%
PIKE	6,709	1,307	$141,559	$108	19.5%
POPE	1,451	275	$27,691	$101	19.0%
PULASKI	2,423	677	$81,628	$121	27.9%
PUTNAM	2,953	361	$34,681	$96	12.2%
RANDOLPH	13,352	2,124	$226,554	$107	15.9%
RICHLAND	7,248	1,327	$135,739	$102	18.3%
ROCK ISLAND	65,262	11,574	$1,283,572	$111	17.7%

SALINE	10,146	2,222	$246,919	$111	21.9%
SANGAMON	92,576	14,337	$1,616,829	$113	15.5%
SCHUYLER	3,170	516	$52,976	$103	16.3%
SCOTT	2,090	323	$32,990	$102	15.5%
SHELBY	9,875	1,642	$166,774	$102	16.6%
ST CLAIR	107,235	21,699	$2,653,968	$122	20.2%
STARK	2,345	331	$33,880	$102	14.1%
STEPHENSON	21,353	3,701	$405,681	$110	17.3%
TAZEWELL	60,978	8,363	$869,313	$104	13.7%
UNION	7,449	1,441	$159,042	$110	19.3%
VERMILION	32,650	7,121	$836,630	$117	21.8%
WABASH	5,279	930	$94,248	$101	17.6%
WARREN	6,973	1,239	$125,282	$101	17.8%
WASHINGTON	7,110	924	$94,512	$102	13.0%
WAYNE	7,026	1,342	$146,853	$109	19.1%
WHITE	6,320	1,132	$120,743	$107	17.9%
WHITESIDE	26,489	4,553	$475,270	$104	17.2%
WILL	283,820	35,693	$3,989,514	$112	12.6%
WILLIAMSON	27,434	5,553	$601,554	$108	20.2%
WINNEBAGO	126,727	24,692	$2,827,895	$115	19.5%
WOODFORD	16,931	1,655	$170,856	$103	9.8%
OUT OF STATE	340,505	31,158	$2,429,102	$78	9.2%