

# Tax Facts & Comparisons

## Illinois

Taxes are complicated. Each state's tax code is a multifaceted system with many moving parts, and Illinois is no exception. The Tax Foundation produces a number of rankings that evaluate states on tax structures and overall tax burdens. Here's how Illinois scores.



### Tax Foundation Rankings of Illinois

#### State Business Tax Climate Index

**31<sup>st</sup>**  
best

Illinois ranks 31st out of the 50 states on the Tax Foundation's 2014 *State Business Tax Climate Index*, which annually compares the states' tax systems on over 100 variables that impact business. Last year, Illinois ranked 31st.

Illinois's individual income tax ranks 11th best, its corporate income tax ranks 47th best, its sales tax ranks 34th best, its property tax ranks 44th best, and its unemployment insurance tax ranks 38th best.

Neighboring states' ranks: Wisconsin (43rd), Iowa (41st), Missouri (17th), Kentucky (26th) Indiana (8th)

#### State-Local Tax Burdens Rank

**13<sup>th</sup>**  
highest

Estimated at 10.2% of income, Illinois's 2011 state-local tax burden ranks 13th highest nationally, above the national average of 9.8%. Illinois taxpayers pay \$4,658 per capita in state and local taxes.

Neighboring states' ranks: Wisconsin (5th), Iowa (29th), Missouri (33rd), Kentucky (23rd) Indiana (22nd)

#### Tax Freedom Day®

**2015**  
**April**  
**30**

In 2014, Illinois taxpayers worked 120 days into the year until April 30 to pay their total tax bill, ranking 43rd highest nationally.

That's 6 days after national Tax Freedom Day (April 21), the day when Americans finally have earned enough money to pay their total tax bill for the year.

More at [taxfoundation.org/publications](http://taxfoundation.org/publications)

# Illinois Taxes at a Glance

Each state uses a variety of tax tools to raise revenue, including individual income taxes, property taxes, and sales taxes, among others. Here are some facts on how Illinois structures their different tax types:

Note: All collections listed on this page are combined state and local tax collections as reported by the Census Bureau's Government Finance Division. For all ranks, 1 indicates highest among the 50 states.

## General Info

		Rank	Nat. Avg.
Income per capita	\$45,664	13th	\$43,735
Federal aid as % of gen. revenue	26%	40th	32.8%
State debt per capita	\$11,369	6th	\$3,678

## Individual Income Tax

Number of brackets	1
Bottom income bracket rate	3.75%
Bottom bracket kick In	\$0
Top income tax rate	3.75%
Top bracket kick in	federal adjusted gross income with modification
Collections per capita (2012)	\$1,206
Collections rank (2012)	11th

## Property Tax

Collections per capita (2012)	\$1,985
Collections rank (2012)	10th
Property taxes paid as share of owner-occupied housing value (2013)	2.32%
Property taxes paid percent rank (2013)	2nd

## Sources of State & Local Tax Collections

	Illinois	All States.
Property Tax	38%	32%
Sales Tax	15%	23%
Corporate Income Tax	5%	4%
Individual Income Tax	23%	22%
Other	19%	20%

## Corporate Income Tax

Number of brackets	1
Top corporate tax rate	7.75%
Collections per capita (2012)	\$272
Collections rank (2012)	7th

## Sales Tax

State rate	6.25%
State + average local rate	8.19%
State + average local rank	10th
Collections per capita (2011)	\$749
Collections rank (2011)	39th

## Excise Taxes

	Rate	Rank
Gasoline taxes and fees	30.7¢ per gallon	15th
Cigarette taxes	\$1.98 per pack	16th
Spirits taxes	\$8.55 per gallon	14th
Beer taxes	\$0.23 per gallon	26th
Cell phone taxes	15.81%	5th

## Other Taxes

	Rate	Exemption
Gross receipts tax	None	N/A
Capital stock tax	0.10%	\$2,000,000
Inheritance tax	None	N/A
Estate tax	0.8-16%	\$4,000,000

## About the Tax Foundation



The Tax Foundation is the nation's leading independent tax policy research organization. Since 1937, our principled research, insightful analysis, and engaged experts have informed smarter tax policy at the federal, state, and local levels. Our Center for

State Tax Policy is routinely relied upon for presentations, testimony, and media appearances on state tax and fiscal policy, and our website is a comprehensive resource for information on tax and spending policy in each U.S. state.

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