



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HOUSE JOINT RESOLUTION

CONSTITUTIONAL AMENDMENT

HC0027

Introduced 2/27/2009, by Rep. Michael K. Smith

SYNOPSIS AS INTRODUCED:

ILCON Art. IX, Sec. 3

Proposes to amend the Revenue Article of the Illinois Constitution with respect to limitations on income taxation. Provides that the rates shall be non-graduated, by category. The categories are (i) individuals (under \$250,000), (ii) individuals (\$250,000 or more), and (iii) corporations. Combines an individual's income with that of his or her spouse. Provides that in any such tax imposed upon individuals (\$250,00 or more), the rate shall be the rate imposed upon individuals (under \$250,000) for net income under \$250,000 and the higher of (i) 6% or (ii) twice the rate imposed upon individuals (under \$250,000) for net income of \$250,000 or more. Provides that the rate on corporations shall not exceed the rate imposed on individuals (under \$250,000) by more than a ratio of 8 to 5. Provides that the basic amount of each standard exemption for individuals (under \$250,000) shall be \$4,500 or such greater amount as provided by law. Provides that the amounts of \$250,000 and \$4,500 shall be adjusted each year to reflect changes in a specified consumer price index. Provides for all tax collections to be deposited as provided by law for the deposit of income tax collections, except that one-third of all amounts collected from individuals (\$250,000 or more) that is attributable to that part of the rate in excess of the rate imposed on individuals (under \$250,000) shall be deposited into each of the following funds: the Revitalize Illinois Schools Fund, the Rebuild Illinois Infrastructure Fund, and the Reward Illinois Working Families Fund; and expenditures from the Schools and Infrastructure funds shall be made only for those respective purposes and only as specifically appropriated by law. Provides that amounts in the Reward Illinois Working Families Fund shall be transferred and deposited as provided by law for the deposit of income tax collections. Makes the provisions self-executing and judicially enforceable. Provides for definition of terms. Effective upon being declared adopted and applies to taxable years 2010 and thereafter.

1 HOUSE JOINT RESOLUTION
2 CONSTITUTIONAL AMENDMENT

3 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE
4 NINETY-SIXTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE
5 SENATE CONCURRING HEREIN, that there shall be submitted to the
6 electors of the State for adoption or rejection at the general
7 election next occurring at least 6 months after the adoption of
8 this resolution a proposition to amend Section 3 of Article IX
9 of the Illinois Constitution as follows:

10 ARTICLE IX
11 REVENUE

12 (ILCON Art. IX, Sec. 3)

13 SECTION 3. LIMITATIONS ON INCOME TAXATION

14 (a) A tax on or measured by income shall be at a
15 non-graduated rates, by category, as determined under this
16 Section rate. At any one time there may be no more than one
17 such tax imposed by the State for State purposes on individuals
18 and one such tax so imposed on corporations.

19 (b) The categories under this Section are (i) "individuals
20 (under \$250,000)" for individuals whose annual net income,
21 combined with the annual net income of the spouse, is under
22 \$250,000, (ii) "individuals (\$250,000 or more)" for
23 individuals whose annual net income, combined with the annual

1 net income of the spouse, is \$250,000 or more, and (iii)
2 corporations. In any such tax imposed upon individuals
3 (\$250,000 or more), the rate shall be the rate imposed upon
4 individuals (under \$250,000) for net income under \$250,000 and
5 the higher of (i) 6% or (ii) twice the rate imposed upon
6 individuals (under \$250,000) for net income of \$250,000 or
7 more. In any such tax imposed upon corporations, the rate shall
8 not exceed the rate imposed on individuals (under \$250,000) by
9 more than a ratio of 8 to 5. The basic amount of each standard
10 exemption for individuals (under \$250,000) shall be \$4,500 or
11 such greater amount as provided by law. The amounts of \$250,000
12 and \$4,500 shall be adjusted each year to reflect changes in
13 the annual Consumer Price Index For All Urban Consumers as
14 determined by the United States Department of Labor or, should
15 that Index no longer be published, by a similar index
16 determined by law.

17 (c) Income taxes collected from individuals (under
18 \$250,000) and from corporations shall be deposited as provided
19 by law for the deposit of income tax collections. That portion
20 of income taxes collected from individuals (\$250,000 or more)
21 that is attributable to a rate equal to the rate for
22 individuals (under \$250,000) shall be deposited as provided by
23 law for the deposit of income tax collections. Of all other
24 amounts collected from individuals (\$250,000 or more),
25 one-third of such amounts shall be deposited into each of the
26 following funds, which are hereby created in the State

1 treasury: the Revitalize Illinois Schools Fund, the Rebuild
2 Illinois Infrastructure Fund, and the Reward Illinois Working
3 Families Fund. Expenditures from the Revitalize Illinois
4 Schools Fund and the Rebuild Illinois Infrastructure Fund shall
5 be made only for educational and capital purposes,
6 respectively, and only as specifically appropriated by law. All
7 amounts held in the Reward Illinois Working Families Fund shall
8 be transferred and deposited as provided by law for the deposit
9 of income tax collections.

10 (d) ~~(b)~~ Laws imposing taxes on or measured by income may
11 adopt by reference provisions of the laws and regulations of
12 the United States, as they then exist or thereafter may be
13 changed, for the purpose of arriving at the amount of income
14 upon which the tax is imposed.

15 (e) The terms used in this Section have the meanings of
16 those terms as provided by law under relevant statutes.

17 (f) The provisions of this Section are self-executing and
18 judicially enforceable. The Supreme Court shall have original
19 and exclusive jurisdiction over actions under this Section.

20 (Source: Illinois Constitution.)

21 SCHEDULE

22 The State Board of Elections shall proceed, as soon as all
23 the returns are received but no later than 31 days after the
24 election, to canvass the votes given for and against this
25 Constitutional Amendment, as shown by the abstracts of votes

1 cast. If this Constitutional Amendment is approved by either
2 three-fifths of those voting on the question or a majority of
3 those voting in the election, then the State Board of Elections
4 shall declare the adoption of this Constitutional Amendment and
5 it shall, upon declaration of its adoption, take effect and
6 become a part of the Constitution of this State. This Schedule
7 supersedes and applies notwithstanding any statute to the
8 contrary, and no other requirements, including without
9 limitation proclamation of the results of the vote or notice by
10 publication, are necessary for its effectiveness. This
11 Constitutional Amendment applies to taxable years 2010 and
12 thereafter.