

Fair Tax: HB689- Lang

Q: What is a fair tax?

- A fair tax has lower rates for lower incomes and higher rates for higher incomes.

Q: What does a fair tax mean for kids & families?

- Over 99% of tax filers pay less income tax
- Raises \$1.9 billion to prevent more cuts

Single parent, one child



INCOME: \$30,000

2015 IL Income Tax:
\$964

Fair Plan Tax:
\$900

Change: **\$64 CUT**

Single person



INCOME: \$100,000

2015 IL Income Tax:
\$3,669

Fair Tax Plan:
\$3,425

Change: **\$244 CUT**

Married couple, two children



INCOME: \$55,000

2015 IL Income Tax:
\$1,740

Fair Tax Plan:
\$1,624

Change: **\$116 CUT**

Married couple, two children



INCOME: \$250,000

2015 IL Income Tax:
\$9,053

Fair Tax Plan:
\$8,553

Change: **\$500 CUT**

Married couple, no children



INCOME: \$764,300

2015 IL Income Tax:
\$28,500

Fair Tax Plan:
\$28,500

Change: **\$0**

Married couple, no children



INCOME: \$1,000,000

2015 IL Income Tax:
\$37,339

Fair Tax Plan:
\$49,124

Change: **\$11,785 Increase**

Note: Income is Illinois base income, the amount the Illinois Department of Revenue uses to determine your tax load. Filing status for couples is married filing jointly. Estimates based on data from the Institute on Taxation and Economic Policy.

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FISCAL POLICY CENTER
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How does a fair tax work?

With a fair tax, those with lower incomes pay a lower rate, and those with higher incomes pay a higher rate.

Single & Married Filed Single		Married Filed Jointly & Head of Household	
0-100k	3.50%	0-200k	3.50%
100-500k	3.75%	200-750k	3.75%
500k-1M	8.75%	750k-1.5M	8.75%
1M+	9.75%	1.5M+	9.75%

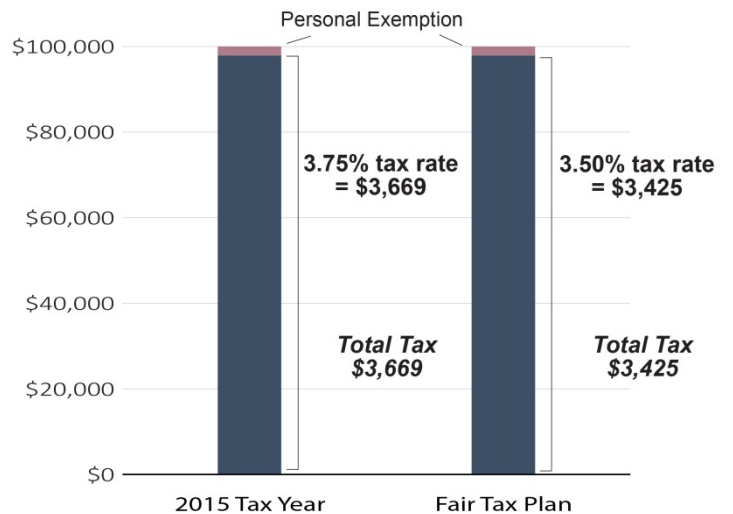
Single Person Earning \$100,000 A Year*



IL current income tax =
\$3,669

Fair tax plan =
\$3,425

Tax Cut =
\$244



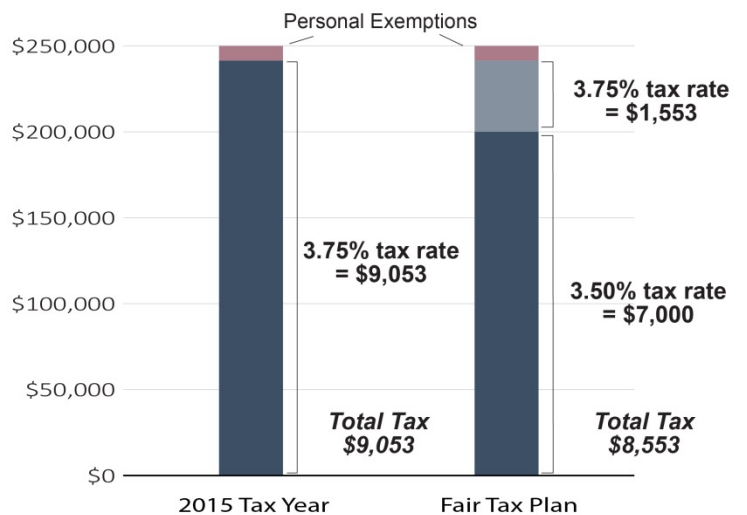
Married Couple with Two Children Earning \$250,000 A Year



IL current income tax =
\$9,053

Fair tax plan =
\$8,553

Tax Cut =
\$500



*Annual income = IL base income