

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

96TH GENERAL ASSEMBLY

BILL NO: **SB 2505, as amended by HA 2** January 11, 2011

SPONSOR (S): Cullerton (Lang – Currie, et al)

SYSTEM(S): None

FISCAL IMPACT: To the extent that SB 2505, as amended by HA 2, provides for sufficient revenue for the State to make its statutorily-mandated pension contributions pursuant to P.A. 88-593, there will be a positive long-term impact to the State-funded systems.

SUBJECT MATTER: Amends the Illinois Income Tax Act. Increases the rate of tax for individuals, trusts, and estates to (i) 5% for taxable years beginning on or after January 1, 2011 and prior to January 1, 2015, (ii) 4% for taxable years beginning on or after January 1, 2015 and prior to January 1, 2025, (iii) 3.5% for taxable years beginning on or after January 1, 2025 (now, the rate is 3%). Increases the rate of tax for corporations to (i) 7% for taxable years beginning on or after January 1, 2011 and prior to January 1, 2015, (ii) 5.6% for taxable years beginning on or after January 1, 2015 and prior to January 1, 2025, (iii) 4.9% for taxable years beginning on or after January 1, 2025 (now, the rate is 4.8%). Contains provisions concerning estimated taxes.

FISCAL IMPACT: To the extent that SB 2505, as amended by HA 2, provides for sufficient revenue for the State to make its statutorily-mandated pension contributions pursuant to P.A. 88-593, there will be a positive long-term impact to the State-funded systems.

COMMENT: This bill does not amend the Pension Code.

DH: bj
LRB096 16340 HLH 44936 a