TAX FACTS
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ILLINOIS' PERSONAL PROPERTY REPLACEMENT TAX BOOSTS BUSINESS TAX RATES

By Kurt Fowler

Kurt Fowler is an undergraduate at Northwestern University, majoring in Political Science. He returned this past summer as an intern for the Taxpayers' Federation of Illinois.

The Illinois Personal Property Replacement Tax (PPRT) – because it is a unique tax not imposed by any other state – muddies tax burden comparisons with other states. A recent example of confusion is the seemingly straightforward question: "How does Illinois' corporate income tax rate compare with that in other states?" If only the underlying corporate Income Tax rate of 7 percent is considered, Illinois ranks 24th in the country, firmly in the middle. If the 2.5 percent PPRT rate is added to the 7 percent corporate Income Tax rate, the resulting 9.5 percent rate is the fourth highest in the country. **See Chart 1 on page 3.**

History

A little history is in order. The property tax is a tax on wealth, as measured by what a person owns. That originally included, for example, the farm, house, barn, cows, chickens, and dining room table. The land and buildings are real property, and the rest is personal property. The distinction between

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NOTES FROM THE INSIDE. . .

By J. Thomas Johnson

This issue of Tax Facts deals with two relatively disparate subjects. The first discusses an issue that often comes up here in Springfield when discussing Illinois' Tax burden. What is the appropriate corporate income tax rate that should be used when evaluating Illinois tax burden, the total rate including the personal property replacement tax rate or the "net rate" exclusive of the portion dedicated to replacing the old personal property tax? Kurt Fowler returned to work with us this summer and his article reveals that several states have abolished their personal property tax and others have reduced the reliance on the tax through exempting a significant portion of the tax base. Other states have either transferred the burden to the remaining tax base or replaced the revenue source for local governments through a host of methods, only Illinois has dedicated specific taxes or rates to do so. Bottom line unless you adjust the tax rates of other states for these "adjustments" it is not appropriate to ignore Illinois total tax rate when doing a multistate corporate income tax comparison.

The second article was written by our intern this past summer from UIS, Nana Mkheidze. The article compares Illinois' Federal reimbursement rate under the Federal/ State Medicaid program to other states. The report finds that the federal government is much more generous with our neighboring states than it is with Illinois, even though on some measures, such as poverty levels, our state ranks higher than some of these states that benefit from the higher Federal match rate. Obviously, an increased reimbursement rate would allow Illinois to free up dollars that are currently dedicated to the Medicaid program for use in other areas of state spending priorities.

personal and real property was meaningless because both personal property and real property were taxed at the same rate.

As the world became more complex, the personal property tax became more difficult to administer. What was the value of an automobile or a piece of furniture? The personal property tax on individuals was abolished as part of the package that imposed the Illinois Income Tax in 1969. When the Illinois Constitution of 1970 was enacted, it required the General Assembly to abolish the personal property tax on business and replace the revenue lost by local governments by 1979.

The replacement proved very difficult and there was an unsuccessful attempt in 1978 to amend the Illinois Constitution to do away with the requirement to abolish the personal property tax. When that failed, the General Assembly passed legislation to replace the business personal property tax with a package that included:

- A 2.5 percent surcharge on the corporate income tax
- A 1.5 percent tax on income of partnerships and subchapter S corporations
- A 0.8 percent tax on the invested capital of public utilities.

More recently, when electric and telecommunications utilities were deregulated, the personal property replacement taxes on those utilities were replaced with taxes on electric distribution and on telecommunications services.

The personal property replacement taxes are collected by the Illinois Department of Revenue and allocated back to schools and local governments based on those entities' personal property tax collections before the 1979 abolition of the personal property tax.

Findings

Personal property represented a significant amount of the tax base, but only about 60 percent of it was collected (based on Illinois Property Tax Statistics – 1977).

Before abolition of the personal property tax on business, it accounted for approximately one sixth of property tax extensions (taxes billed). However, because of compliance issues, personal property accounted for just over 10 percent of property tax collections.

Some of the school and local government losses from abolition of the tax on personal property were made up with (replaced by) higher tax rates on real property.

Tax year 1979 was the only year in recent memory that local government property tax receipts fell statewide, dropping $259 million. In the year that personal property was no longer taxed, the tax base (total statewide Equalized Assessed Value) dropped $5.3 billion – 8.01 percent, but taxes total statewide taxes extended (billed) fell only 5.65 percent.

Chart 1

Rank	State	Corporate Tax Rate	Personal Property
1	Iowa	6-12%	Exempt
2	Pennsylvania	9.99%	Exempt
3	Minnesota	9.8%	Taxable
4	Illinois (w/ PPRT)	9.5%	Exempt
5	Alaska	1-9.4%	Taxable
6	Connecticut	9%	Taxable
7	New Jersey	6.5-9%	Exempt
8	Rhode Island	9%	Taxable
9	Maine	3.5-8.93%	Taxable
10	California	8.84%	Taxable
11	Delaware	8.7%	Exempt
12	New Hampshire	8.5%	Exempt
13	Vermont	6-8.5%	Taxable
14	Maryland	8.25%	Taxable
15	Indiana	8%	Taxable
16	Louisiana	8%	Taxable
17	Massachusetts	8%	Taxable
18	Wisconsin	7.9%	Taxable
19	Nebraska	5.58-7.81%	Taxable
20	West Virginia	7.75%	Taxable
21	Idaho	7.6%	Taxable
22	New Mexico	4.8-7.6%	Taxable
23	Oregon	6.6-7.6%	Taxable
24	New York	7.1%	Exempt
(25)	Illinois (w/o PPRT)	7%	Exempt
25	Kansas	4-7%	Taxable
26	Arizona	6.968%	Taxable
27	North Carolina	6.9%	Taxable
28	Montana	6.750%	Taxable
29	Alabama	6.5%	Taxable
30	Arkansas	1-6.5%	Taxable
31	Tennessee	6.5%	Taxable
32	Hawaii	4.4-6.4%	Exempt
33	Missouri	6.25%	Taxable
34	Georgia	6%	Taxable
35	Kentucky	6%	Taxable
36	Michigan	6%	Taxable
37	Oklahoma	6%	Taxable
38	Virginia	6%	Taxable
39	Florida	5.5%	Taxable
40	North Dakota	1.7-5.2%	Taxable
41	Mississippi	3-5%	Taxable
42	South Carolina	5%	Taxable
43	Utah	5%	Taxable
44	Colorado	4.63%	Taxable
45	Nevada	None	Taxable
46	Ohio[1]	None	Exempt
47	South Dakota	None	Exempt
48	Texas[1]	None	Taxable
49	Washington[1]	None	Taxable
50	Wyoming	None	Taxable

[1] Ohio, Texas, and Washington have no corporate income tax, but do have a gross receipts tax

Source: Tax Foundation. (2012). State Corporate Income Tax Rates, 2000-2012. http://taxfoundation.org/article/state-corporate-income-tax-rates-2000-2012

That is because tax rates shot up. The statewide tax rate (excluding farms) jumped 9.6 percent (from $6.91 per $100 to $7.57 per $100) from 1978 to 1979, after increasing 6.5 percent in the previous five years (from $6.49 per $100 to $6.91 per $100.)

That meant that business property owners who benefited from the exclusion of personal property helped replace some of the loss by paying higher taxes on their real property. So did homeowners, who saw no compensating savings. The 1979 increase helped push Illinois toward the top of all states in terms of property tax reliance. **See Chart 2.**

Interstate Comparisons are Difficult

Illinois is one of 10 states that completely exempt personal property from taxation, joined by Delaware, Hawaii, Iowa, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, and South Dakota. The national trend has been to decrease reliance on personal property taxation. Michigan's State Senate passed a proposal to eliminate the personal property tax in the spring.[1] Ohio completed the phase out of its personal property tax in 2011.[2]

Chart 2

Rank	State	2009 Property Tax / Local Revenue	Personal Property
1	Connecticut	57.66%	Taxable
2	New Hampshire	56.22%	Exempt
3	Rhode Island	54.68%	Taxable
4	New Jersey	53.55%	Exempt
5	Maine	48.83%	Taxable
6	Hawaii	47.16%	Exempt
7	Massachusetts	43.83%	Taxable
8	Illinois	38.72%	Exempt
9	Wisconsin	37.02%	Taxable
10	Texas	36.54%	Taxable
11	Virginia	35.08%	Taxable
12	Nebraska	34.53%	Taxable
13	Florida	33.98%	Taxable
14	South Dakota	33.55%	Exempt
15	North Dakota	32.63%	Taxable
16	Montana	30.91%	Taxable
17	Kansas	30.80%	Taxable
18	Iowa	30.48%	Exempt
19	Michigan	29.03%	Taxable
20	Indiana	28.42%	Taxable
21	Oregon	28.31%	Taxable
22	Pennsylvania	28.09%	Exempt
23	Georgia	28.03%	Taxable
24	Alaska	27.60%	Taxable
25	New York	27.36%	Exempt
26	Colorado	27.35%	Taxable
27	Missouri	26.97%	Taxable
28	South Carolina	26.82%	Taxable
29	West Virginia	26.45%	Taxable
30	Maryland	26.11%	Taxable
31	Utah	25.98%	Taxable
32	Minnesota	25.65%	Taxable
33	Ohio*	25.45%	Exempt
34	Arizona	25.17%	Taxable
35	Nevada	24.73%	Taxable
36	Delaware	23.97%	Exempt
37	Idaho	23.45%	Taxable
38	California	23.01%	Taxable
39	Tennessee	22.85%	Taxable
40	North Carolina	22.84%	Taxable
41	Wyoming	21.66%	Taxable
42	Mississippi	21.38%	Taxable
43	Washington	20.41%	Taxable
44	Kentucky	19.35%	Taxable
45	Oklahoma	18.87%	Taxable
46	Vermont	16.78%	Taxable
47	Louisiana	15.95%	Taxable
48	New Mexico	14.98%	Taxable
49	Alabama	12.34%	Taxable
50	Arkansas	10.66%	Taxable
	National Average	29.19%	

* Ohio did not fully exempt personal property until 2011, these numbers are from 2009

Sources: United States Census Bureau. (2011). 2009 Census of State and Local Government Finances. http://www.census.gov/govs/estimate/; Wolters Kluwer Law & Business. (2012). State Tax Guide. Retrieved from: CCH Intelliconnect.

1 *Detroit Free Press*. (11 May 2012). Personal Property Tax Repeal Passes Michigan Senate. http://www.freep.com/article/20120511/NEWS06/205110334/Personal-property-tax-repeal-passes-Michigan-Senate

2 Ohio Department of Taxation. Property Tax—Tangible Personal Property. http://tax.ohio.gov/divisions/communications/publications/annual_reports/2010_annual_report/property_tax_tangible_personal_property.pdf

3 Minnesota 2020. (April 2009). Minnesota Property Tax By The Numbers. http://www.scribd.com/doc/14289366/Minnesota-Property-Taxes-by-the-Numbers-2009-Edition

4 Wisconsin Property Taxpayers, Inc. (2011) WPT Proposes Business Tax Exemption. http://www.wptonline.org/files/2713/2797/8997/3rdQuarter2011.pdf

And, even among states that still tax personal property, there are wide differences. In Minnesota, all property except electrical generation machinery is exempt.[3] Wisconsin exempts computer equipment and manufacturing machinery.[4] Kentucky taxes business inventories. Etc., etc., etc.

Most Entities Report Illinois' Corporate Income Tax Rate at 9.5 percent

On the Illinois Corporate Income Tax return, the calculation is straightforward. Calculate net income. Multiply by 2.5 percent to get Replacement Tax owed. Multiply by 7 percent to get Corporate Income Tax owed. Add the two numbers together.

Some tax organizations – the Federation of Tax Administrators (an organization that represents state revenue departments) and the Tax Policy Center (a joint venture of the Urban Institute and Brookings Foundation) report the rate at a combined 9.5 percent, and add a footnote to point out the two separate components. Others – the Tax Foundation and Wikipedia (the source of all knowledge in the Internet Age) – simply report the combined rate and ignore the footnote.

Conclusions

Any comparison with other states should recognize that in 2012, Illinois' corporations paid tax on their net incomes at a combined 9.5 percent rate. That leaves Illinois corporations paying the fourth highest rate in the country. At the same time a comparison should say that Illinois corporations do not pay a personal property tax that they would pay in many other states. However, trying to quantify the costs and benefits, because of wide variance in personal property tax bases in other states and property tax rates within states, cannot be generalized.

FEDERAL MEDICAL ASSISTANCE PLAN (FMAP) IS ILLINOIS TREATED FAIRLY?

By Nana Mkheidze

Nana Mkheidze is a graduate student at the University of Illinois at Springfield, majoring in Political Science. She worked as a legislative intern and research assistant for the Taxpayers' Federation of Illinois.

Under Medicaid, the healthcare program that provides services to low-income individuals, the federal government reimburses 36 states a higher percentage of their costs than it does Illinois. Nationally the federal government reimburses 57 percent of Medicaid costs, while in the six states surrounding Illinois, states with whom Illinois competes for investment and job creation, the federal government reimburses an average of 65 percent. In contrast, Illinois receives 50 percent reimbursement. If put on par with its neighbors or the rest of the country, Illinois would have more resources to offset its cost that it could use to provide other services.

The FMAP Formula

The federal government's share of Medicaid costs is determined by the federal medical assistance program (FMAP) rate, which varies among states and is determined by a formula set in statute when Medicaid was first enacted in 1965. The FMAP formula compares the state per-capita income to the national per-capita income. There is no cap on the dollar amount that the federal government pays, so the more that a state spends the more it receives. However, the federal share percentage paid for Medicaid by statute is set at a minimum of 50% and a maximum of 83%. Therefore, the states that have a higher per-capita income receive lower FMAP funding but no less than 50%, and the states that have a lower per-capita income receive higher FMAP funding but no more than 83%. The FMAP formula[1] for the federal share is:

FMAP = 1 – 0.45 x [State Per Capita Income²/U.S. Per Capita Income²]

The FMAP is calculated using the average state per-capita income of the three most recent calendar years that is available to the Department of Commerce. The state personal per-capita income used for the FY2011 FMAP was calculated from the averaged income data of 2006, 2007, and 2008. The Secretary of Health and Human Services uses the data provided by the Department of Commerce to calculate the FMAP, and then publishes[3] the FMAP between October 1st and November 30th each year. The FMAP funding levels are in effect for a one-year period, beginning the following federal fiscal year from October 1st to September 30th.

FMAP 2011 - see Table 1

The federal government's share of Medicaid costs is more than 57 percent nationally, but in Illinois it only pays 50 percent of expenses, leaving Illinois taxpayers to make up the difference. Table 1 shows the estimated Medicaid expenditures for 2011. The table illustrates that the 50 percent minimum means an extra $5 billion for California and an extra $2 billion for New York and Connecticut, but a mere $100 million for Illinois. States that are highlighted in yellow in Table 1 receive a 50 percent FMAP for FY2011

Table 1 also illustrates that neighboring Indiana and 10 other states get two thirds of their Medicaid spending reimbursed by the federal government, while Illinois gets only half its spending federally reimbursed.

Surrounding States and FMAP

The unfairness of the FMAP formula becomes even more apparent when you look at surrounding states, the states with which Illinois

1 Section 1101(a)(8)(B) and section 1905(b) of the Social Security Act instruct how the FMAP is calculated.

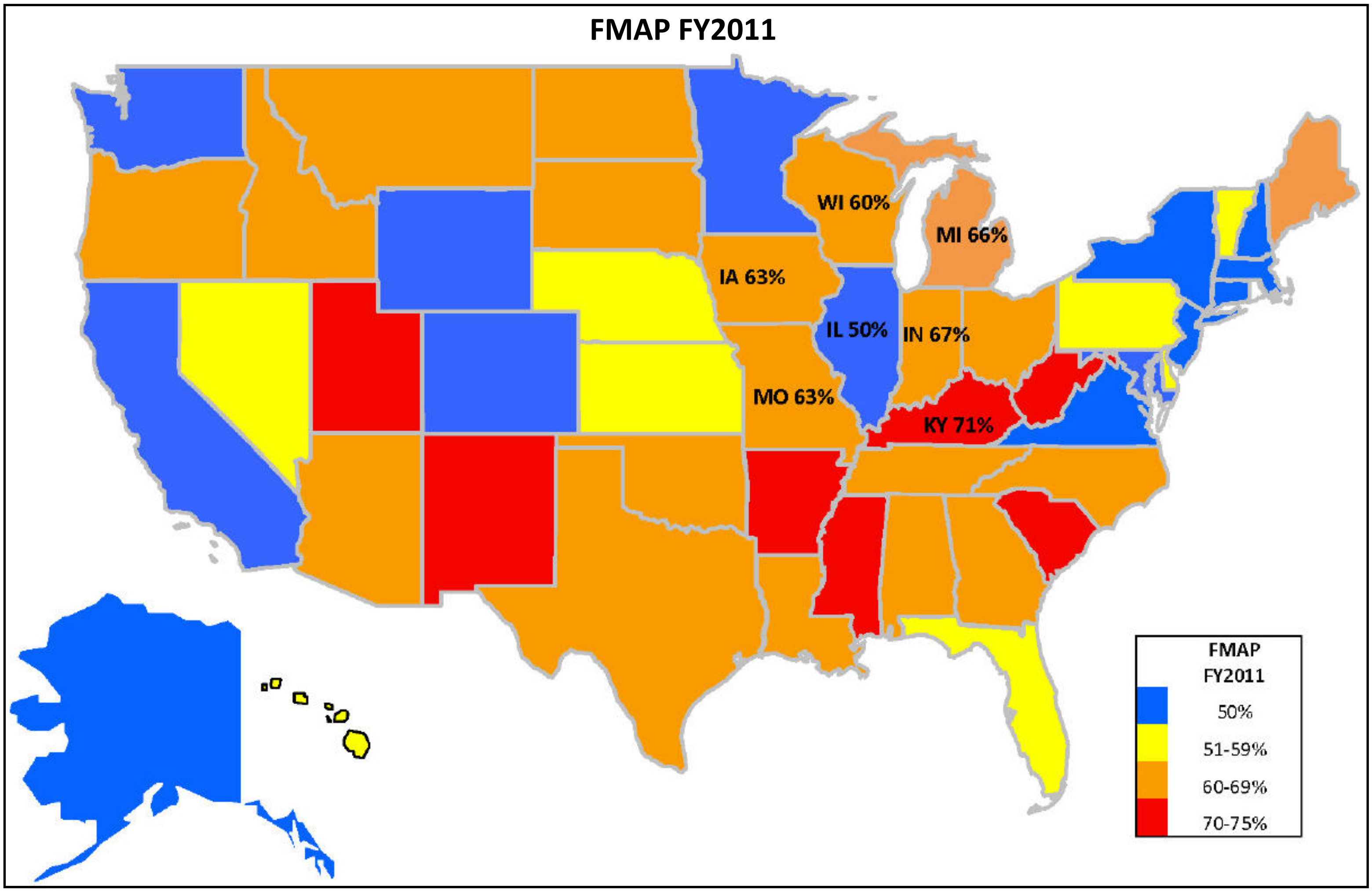
2 U.S. Bureau of Economic Analysis. Personal income summary, last update March 28, 2012

3 74 *Federal Register* 227 (November 27, 2009), available at http://aspe.hhs.gov/health/fmap11.pdf

TABLE 1. STATE PER CAPITA INCOME AND FMAP

STATE	Average 2006-2008	FMAP Without 50% min	FMAP FY2011	Per Capita Medicaid Expend. FY2011	Est. Medicaid Expenditures 2011*	FY2011 Federal Share*	FY2011 Federal Share w/o 50% min*
Connecticut	55,047	12%	50%	1,562	5.593	2.796	0.678
New Jersey	49,966	28%	50%	1,196	10.547	5.273	2.911
Massachusetts	49,870	28%	50%	1,585	10.440	5.220	2.91
New York	47,276	35%	50%	1,984	38.624	19.312	14
Maryland	46,854	36%	50%	1,291	7.522	3.761	2.733
Wyoming	46,074	38%	50%	989	0.562	0.281	0.216
Virginia	43,057	46%	50%	886	7.174	3.587	3.317
California	42,911	47%	50%	1,458	54.960	27.480	25.613
New Hampshire	42,758	47%	50%	1,040	1.371	0.685	0.644
Colorado	42,695	47%	50%	1,077	5.511	2.755	2.597
Washington	41,956	49%	50%	1,158	7.909	3.954	3.871
Illinois	**41,784**	**49%**	**50%**	**1,260**	**16.221**	**8.110**	**8.008**
Alaska	41,694	50%	50%	1,741	1.258	0.629	0.623
Minnesota	41,658	50%	50%	1,509	8.065	4.032	4.006
Rhode Island	40,141	53%	53%	1,947	2.047	1.084	1.09
Delaware	39,728	54%	53%	1,504	1.364	0.724	0.739
Hawaii	39,658	54%	52%	1,299	1.786	0.924	0.971
Nevada	39,512	55%	52%	586	1.596	0.823	0.873
Florida	39,077	56%	55%	1,038	19.780	10.968	11.021
Pennsylvania	38,862	56%	56%	1,710	21.792	12.125	12.248
Kansas	37,936	58%	59%	955	2.743	1.619	1.598
Nebraska	37,905	58%	58%	875	1.613	0.942	0.94
Vermont	37,707	59%	59%	2,051	1.285	0.754	0.755
Texas	37,333	60%	61%	969	24.881	15.067	14.824
South Dakota	37,085	60%	61%	1,065	0.878	0.537	0.527
Wisconsin	36,867	61%	60%	1,273	7.271	4.374	4.405
North Dakota	36,666	61%	60%	1,064	0.728	0.439	0.444
Oregon	36,021	62%	63%	1,261	4.883	3.068	3.045
Iowa	35,959	63%	63%	1,162	3.557	2.227	2.223
Missouri	35,757	63%	63%	1,492	8.970	5.677	5.644
Louisiana	35,647	63%	64%	1,552	7.099	4.515	4.483
Arizona	35,275	64%	66%	1,262	8.182	5.387	5.229
Ohio	35,197	64%	64%	1,210	13.965	8.894	8.948
Georgia	35,096	64%	65%	820	8.044	5.255	5.17
Oklahoma	35,021	64%	65%	1,079	4.092	2.657	2.636
Maine	34,944	65%	64%	1,760	2.338	1.491	1.51
North Carolina	34,625	65%	65%	1,170	11.298	7.310	7.37
Michigan	34,357	66%	66%	1,215	12.004	7.897	7.894
Tennessee	34,073	66%	66%	1,355	8.679	5.715	5.757
Indiana	33,735	67%	67%	1,013	6.603	4.392	4.423
Montana	33,644	67%	67%	967	0.965	0.644	0.648
Utah	32,607	69%	71%	680	1.915	1.362	1.324
Alabama	32,562	69%	69%	1,100	5.282	3.620	3.657
Idaho	32,403	70%	69%	1,138	1.804	1.242	1.254
South Carolina	31,918	70%	70%	1,094	5.118	3.584	3.605
New Mexico	31,791	71%	70%	1,439	2.996	2.090	2.117
Kentucky	31,242	72%	71%	1,329	5.808	4.152	4.164
Arkansas	31,200	72%	71%	1,422	4.178	2.981	2.998
West Virginia	29,718	74%	73%	1,502	2.786	2.040	2.072
Mississippi	29,477	75%	75%	1,499	4.464	3.335	3.339
United States	**39,393**				**398.5**	**227.8**	
Average Federal Share					**57%**		

* in millions



must compete with economically. As the map shows, each neighboring state has a higher rate of federal reimbursement of their Medicaid spending than does Illinois and the average for the six states is over 65 percent. If Illinois received the average reimbursement for surrounding states, the federal government would pay Illinois an additional $2.4 billion.

The Imperfect Relationship Between Poverty Levels and FMAP - see Table 2

It would make sense that those states with the most low-income residents would receive the most federal reimbursement for providing free health care. Table 2 illustrates poverty levels (percent of population living below the federal poverty level), in descending order, and FMAP funding rates, and illustrates further inequities under the current FMAP formula. It would seem that the states with the highest rates of poverty would enjoy the highest federal Medicaid subsidy and those with the lowest poverty rates would receive the smallest subsidy. That is true in some cases: Mississippi has the highest poverty rate and the highest FMAP percentage while New Hampshire has the lowest of both.

Between those extremes things are not as clean. Illinois has the 26th highest poverty rate (right in the middle), but (with New Hampshire and others) the lowest federal Medicaid reimbursement rate. Utah, on the other hand,

TABLE 2. PERCENT OF POPULATION IN POVERTY

Rank	State	Poverty Rate in 2010	FMAP FY2011
1	Mississippi	21.8%	75%
2	New Mexico	18.7	70%
3	Arkansas	18.4	71%
4	Kentucky	18.2	71%
5	Louisiana	17.8	64%
6	West Virginia	17.6	73%
7	Alabama	17.4	69%
8	South Carolina	17.1	70%
9	Texas	17.0	61%
10	Tennessee	16.9	66%
11	Georgia	16.5	65%
12	Arizona	16.3	66%
13	Oklahoma	16.3	65%
14	North Carolina	16.2	65%
15	Michigan	15.7	66%
16	Florida	15.0	55%
17	Ohio	14.8	64%
18	Montana	14.6	67%
18	Oregon	14.6	63%
20	California	14.5	50%
20	Missouri	14.5	63%
22	New York	14.4	50%
23	Idaho	14.3	69%
24	Indiana	14.2	67%
25	South Dakota	13.8	61%
26	**Illinois**	**13.1**	**50%**
27	Nevada	13.0	52%
28	Kansas	12.8	59%
28	Pennsylvania	12.8	56%
28	Rhode Island	12.8	53%
31	Maine	12.6	64%
32	Colorado	12.5	50%
32	Washington	12.5	50%
34	North Dakota	12.3	60%
35	Wisconsin	12.1	60%
36	Iowa	11.9	63%
36	Nebraska	11.9	58%
38	Vermont	11.7	59%
39	Utah	11.5	71%
40	Delaware	11.3	53%
41	Minnesota	11.0	50%
42	Massachusetts	10.8	50%
43	Virginia	10.7	50%
44	Wyoming	10.3	50%
45	Hawaii	10.0	52%
46	Connecticut	9.7	50%
47	New Jersey	9.5	50%
48	Alaska	9.1	50%
48	Maryland	9.1	50%
50	New Hampshire	8.1	50%
	National Average	**14.4%**	

has a relatively low poverty rate (39th highest), but received the third highest rate of Medicaid reimbursement.

As the table illustrates, there are 13 states with lower poverty rates than Illinois (including neighboring states of Iowa and Wisconsin) which received higher federal Medicaid reimbursement than does Illinois.

Other Questions on the FMAP formula

Several analysts and policy makers have suggested that the FMAP formula is flawed. One argument is that the formula does not account for differences among states because per capita income is influenced by high income earners. Another argument exists that there is a three-year time lag for data collection and calculation which can skew FMAP funding levels in that it does not accurately reflect a state's current economic circumstances (Peters 2008).[4]

The Government Accountability Office (GAO) conducted a study on the differences in funding ability among states.[5] The GAO found that using the per-capita income (PCI) for calculating FMAP does not address differences among the states' ability to fund Medicaid services. Furthermore, the GAO explained that there are two factors

4 Christie Provost Peters "Medicaid Financing: How the FMAP Formula Works and Why it Falls Short." National Health Policy Forum, No. 828, George Washington University, December 11, 2008; available at http://www.nhpf.org/library/issue-briefs/IB828_FMAP_12-11-08.pdf.

5 General Accounting Office (GAO), "Medicaid Formula Differences in Funding Ability Among States Often Are Widened" GAO-03-620, July 2003; available at http://www.gao.gov/new.items/d03620.pdf.

that constrain the formula. First, PCI does not properly measure the costs needed to cover Medicaid services in the states. Second, the statutory limitation that sets the minimum 50 percent matching rate benefits the states that already have the ability to cover the costs of their population in poverty, as demonstrated in Table 1.

Conclusion

The current FMAP formula creates wide differences among states in reimbursing state for costs of providing healthcare services to low-income citizens. Compared to other states, particularly our neighbors, Illinois is hurt by the nearly 50-year old FMAP formula.

98TH GENERAL ASSEMBLY 2013 CALENDAR

January

2-8	97th General Assembly session
9	Inauguration 98th General Assembly
10	House/Senate in session
14	House Perfunctory session
16	House/Senate Perfunctory session
18	House Perfunctory session
21	MLK Jr. Day State Holiday
23	House/Senate Perfunctory session
25	House Perfunctory session
29	House Perfunctory session
30	House session
30	Senate Perfunctory session
31	House session

February

1	House Perfunctory session
	Deadline House/Senate LRB Requests
4	House Perfunctory session
5-7	House/Senate session
6	Governor's State of State Address
12	Lincoln's Birthday State Holiday
13-15	Senate Session
15	Deadline Intro of Substantive Senate Bills
18	President's Day State Holiday
19-21	House Session
21	Senate Perfunctory session
26	House session
	Deadline Intro of House Bills
27-28	House/Senate session

Illinois Tax Facts

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Carol Portman elected president of the Taxpayers' Federation of Illinois

The Board of Trustees of the Taxpayers' Federation of Illinois has elected Carol Shuman Portman as president-elect of the organization, effective October 1, 2012. Her duties as president will officially begin January 1, 2013.

Until then, Ms. Portman will work closely with J. Thomas Johnson, the president of the Taxpayers' Federation of Illinois since April of 2006. Mr. Johnson, will step into the role of President Emeritus in January to focus on membership relations, provide tax and fiscal issues technical support and will continue his role as Executive Director of the Illinois Fiscal Policy Council, the Federation's research and education affiliate.

Before joining TFI, Ms. Portman was Assistant General Counsel - Tax at Sears Holdings Corporation, specializing in state and local tax matters. Her corporate tax experience also includes in-house counsel positions at Ameritech Corporation and Waste Management Corporation. She began her career at the Chicago law firm, McDermott, Will & Emery.

Ms. Portman brings to TFI not only a strong understanding of Illinois' taxes, but a broad base of tax knowledge gained from her exposure to taxes around the country, and their impact on individuals and a variety of industries. Ms. Portman is also very familiar with the Taxpayers' Federation of Illinois, its mission and its members: she has served as its chair, as treasurer, and has been on the TFI Board of Trustees for 12 years.

A native of Sullivan Illinois, Ms. Portman's first exposure to Illinois government and fiscal policy came at an early age-her father, Charles W. Shuman, was a delegate to the 1970 Illinois Constitutional Convention. Her grandfather, the late Charles B. Shuman, was president of the Illinois Farm Bureau and the America Farm Bureau Federation.

Ms. Portman lives in Downers Grove with her husband Chris and daughter Katie. Her daughter Erin is a student at the University of Notre Dame. Ms. Portman is a 1984 graduate of the University of Illinois and a 1987 graduate of the University of Michigan Law School.

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