



Policy Statement

Proposed and Existing Tax Credits, Deductions & Exemptions

In light of the State's fiscal condition, the Taxpayers' Federation of Illinois opposes new tax credits, deductions, and exemptions, and the expansion of existing provisions to broaden their scope or increase the amounts awarded. Exceptions to this position include:

- Exemptions or deductions necessary to avoid tax pyramiding,
- Technical corrections of existing provisions clarifying their applicability, and
- Changes made as part of a broad review or tax reform effort

The Taxpayers' Federation of Illinois supports efforts to incentivize investment and job creation in Illinois, including efforts to do so through our tax code, if the provisions are narrowly tailored to benefit only the intended beneficiaries and have the proper financial controls in place. All states have deployed these methods in this very competitive environment for economic growth and Illinois should as well, particularly when Illinois' overall business climate is perceived negatively.

Stability and predictability are two of the hallmarks of a fair tax system. As a result, we support the extension of existing credits, deductions, and exemptions that have been depended upon by taxpayers as a component of our overall tax structure. Changes to these provisions are appropriate only in the context of technical corrections or as part of a broad review or tax reform effort.

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