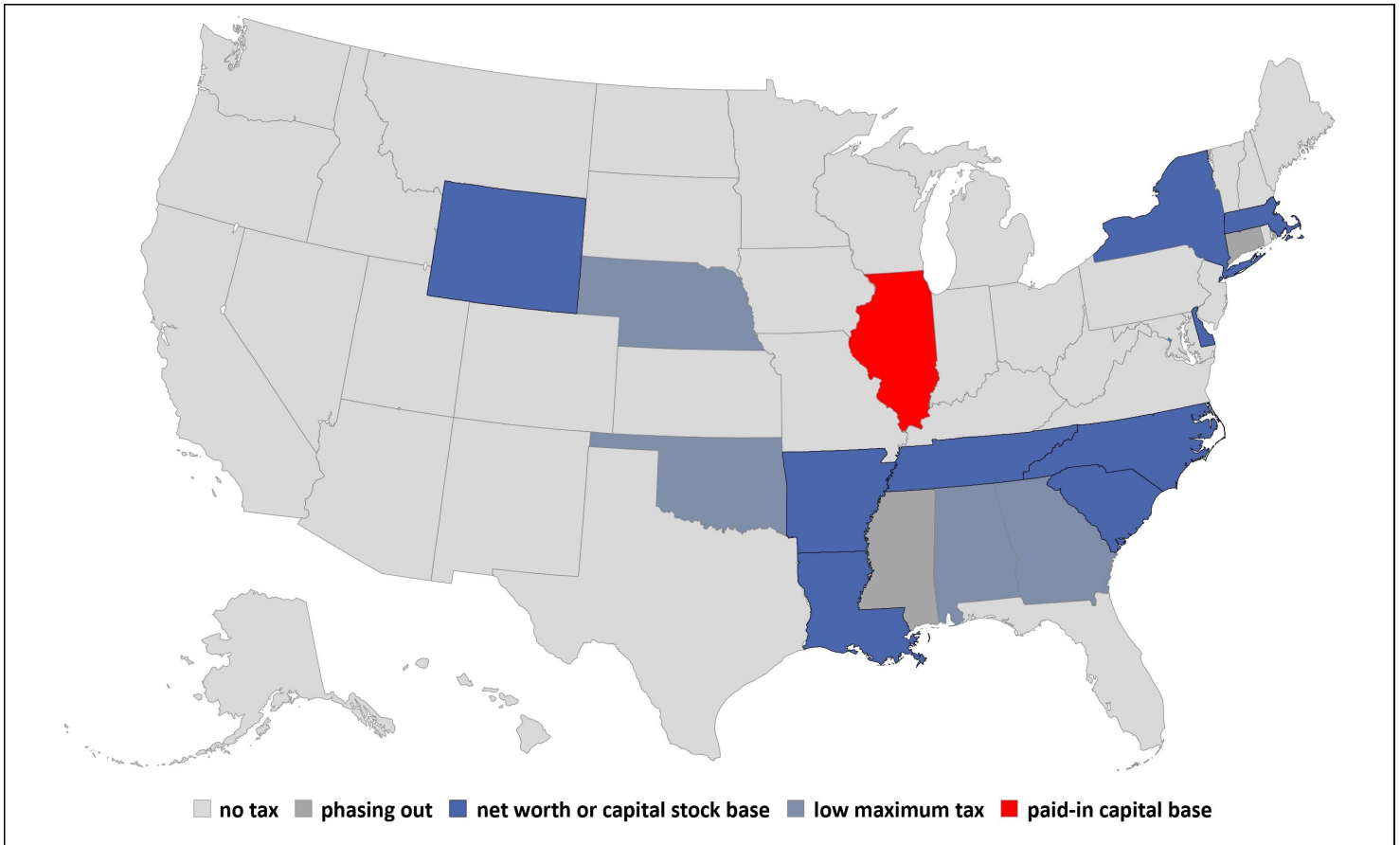


ILLINOIS' FRANCHISE TAX IS AN OUTLIER



Source: Tax Foundation and TFI

Illinois is one of the few states that still imposes a net worth or capital tax. These taxes typically predate the federal income tax and were frequently temporary-turned-permanent measures to raise revenue from the business community when there was no other means to do so. Most states have since repealed their taxes as they have modernized their tax codes, and as this chart indicates, several others are in the process of doing so. Illinois' tax was also being phased out, beginning in 2019, but in 2021 the legislature repealed the repeal, effectively reinstating this antiquated tax.