Adopting a Millionaires' Tax in Illinois

Impacts on Property Taxes, Public Schools, and the Economy

April 1, 2026

Frank Manzo IV, MPP
Economist
Illinois Economic Policy Institute

Robert Bruno, PhD
Director
Project for Middle Class Renewal
University of Illinois at Urbana-Champaign

ILEPI
ILLINOIS ECONOMIC POLICY INSTITUTE

ILLINOIS LABOR & EMPLOYMENT RELATIONS
PROJECT FOR MIDDLE CLASS RENEWAL

Executive Summary

Illinois has a tax system that requires working and middle-class families to pay higher shares of their incomes towards state and local taxes than high-income earners. State lawmakers have debated whether to amend the Illinois Constitution to allow for higher income taxes on annual net incomes over $1 million, with new revenues lock-boxed and dedicated specifically for property tax relief or for public education. Three-fifths of Illinois voters have said they would support a "millionaires' tax" that funds property tax relief (61 percent) or local school districts (60 percent) in advisory referenda. This report evaluates how a potential millionaires' tax could impact education funding, property taxes, and the Illinois economy.

Millionaires' taxes have enabled states to invest in education and infrastructure, with no adverse effect on economic performance and little to no effect on the migration patterns of high earners.

- 26 states have graduated tax systems requiring individuals to incrementally pay more as incomes rise, including four states and the District of Columbia that levy surtaxes on earnings over $1 million.
- In 2022, California's millionaires' tax generated over $10 billion for public schools, community colleges, and Medicaid health insurance coverage.
- Massachusetts, the most recent state to enact a millionaires' tax, generated $3 billion in 2025 for education, preschools, tuition-free community college, public transit, and infrastructure.
- Illinois' highest-income earners pay 7 percent to state and local taxes, which is 2 percent to 6 percent lower than the four states and District of Columbia with millionaires' surtaxes.
- Over the past decade, the economies of states with millionaires' taxes have grown just as fast as those in states without the policy.

A millionaires' tax would affect an estimated 41,000 taxpayers in Illinois, a number that has grown significantly in recent years but still represents just 0.6 percent of all tax filers.

- From 1985 to 2025, the top 1 percent of households saw their inflation-adjusted incomes rise 100 percent while the bottom 99 percent experienced a gain of just 42 percent.
- From 2019 to 2023, the number of Illinois taxpayers reporting over $1 million in net income increased by 36 percent, the highest growth of any income bracket except those earning between $500,000 and $1 million (40 percent).
- Middle-class homeowners contribute between 4 percent and 7 percent of their incomes toward property taxes in Illinois while millionaires pay less than 1 percent.

A 3 percent surtax on income over $1 million would generate $3.8 billion in its first full year and $4.2 billion by 2030, which could be earmarked for property tax relief or education funding, or both.

1. By requiring that the revenue be used for property tax relief, Illinois could deliver $1,500 rebates to 3 million homeowners and cut property tax bills by 20 percent, which would make property taxes more competitive nationally while adding $1.6 billion and 12,000 jobs to the economy.
2. By dedicating the revenue to pre-K through 12 education, Illinois could fully fund schools under the Evidence-Based Funding model, which would improve student outcomes and stem property tax growth—with school districts accounting for 62 percent of total property tax collections—while boosting the economy by $3.6 billion and adding 25,000 jobs.
3. By using the revenue to cover property tax levy increases for school districts and add $50 million per year to the Evidence-Based Funding model, Illinois could lift the economy by $1.0 billion, creating 7,000 jobs, and reducing property taxes by 7 percent in 2030 and 12 percent in 10 years.

Adopting a millionaires' tax would combat the regressive nature of Illinois' current tax system, enable historic investments in public education, and deliver meaningful tax relief to homeowners that would spur consumer demand and create thousands of jobs.

Table of Contents

Executive Summary	i
Table of Contents	ii
About the Authors	ii
Key Tax Terminology	iii
Introduction	1
State Experiences with Millionaires' Taxes	3
Income and Taxes in Illinois	7
Annual Incomes	*7*
Income Taxes and Property Taxes	*8*
Pass-Through Business Income	*10*
Growth in State and Local Tax Revenues	*11*
Implementing a Millionaires' Tax in Illinois	12
Option 1: Provide Property Tax Relief to Homeowners	*15*
Option 2: Fully Fund the Evidence-Based Funding Model and Invest in Education	*18*
Option 3: Freeze School Property Taxes and Provide Additional Education Funding	*21*
Economic Impacts of the Three Options	*23*
Conclusion and Policy Considerations	24
Sources	25
Cover Photo Credits	29

About the Authors

Frank Manzo IV, M.P.P. is an Economist at the Illinois Economic Policy Institute. He earned a Master of Public Policy from the University of Chicago Harris School of Public Policy and a Bachelor of Arts in Economics and Political Science from the University of Illinois at Urbana-Champaign.

Robert Bruno, Ph.D. is a Professor at the University of Illinois at Urbana-Champaign School of Labor and Employment Relations and is the Director of the Project for Middle Class Renewal. He earned a Doctor of Philosophy in Political Theory from New York University, a Master of Arts from Bowling Green State University, and a Bachelor of Arts from Ohio University.

Key Tax Terminology

This brief section includes definitions of terms used throughout the report.

Adjusted Gross Income (AGI) – Adjusted gross income is all wages, salaries, tips, dividends, alimony, business income or losses, capital gains or losses, rental income, unemployment compensation, and retirement income minus certain deductions. Federal deductions accounted for in AGI include health savings accounts, student loan interest payments, and IRA deductions.

Net Income – *Illinois residents are taxed based on net income*. Net income is adjusted gross income minus Social Security benefits, retirement income, military pay, certain business subtractions, the personal exemption, and other exemptions.

Tax Filer – A tax filer is a personal income tax form submitted to the Illinois Department of Revenue. In this report, tax filer data include both single individuals and married couples (or those filing jointly). The terms “taxpayer” and “tax return” are sometimes used to describe a tax filer.

Marginal Tax Rate – A marginal tax rate is the tax rate incurred on each additional dollar of income. Marginal taxes apply *only* to incomes earned above the threshold for each bracket. When a taxpayer earns enough income to place them into a higher bracket, a new marginal rate is applied to all income within that rate level and only within that level. For example, if Illinois were to implement a 3 percent millionaires' surtax, the highest-income earners would pay 4.95 percent—the same rate as everyone else—on their income up to $1 million and then 7.95 percent on any additional amount above that.

Effective Tax Rate – The effective tax rate is the average taxation rate for a tax filer. For a typical tax filer, the effective tax rate may be what matters most because it is the actual percentage of income contributed in taxes.

Regressive Tax – A tax that places a disproportionately larger burden on working and middle-class, as a percentage of their incomes, is considered “regressive.” On the other hand, a tax which asks households with the highest resources to pay greater shares than the poor is sometimes referred to as “progressive.”

Millionaires' Tax – A tax surcharge applied to high-income households on net income exceeding $1 million annually. While millionaires are definitionally people with a net worth (assets versus liabilities) of $1 million or more and there are hundreds of thousands of these such households in Illinois, a so-called “millionaires' tax” is a marginal tax on the subset of high-income earners with $1 million in (non-retirement) taxable income annually, who number in the tens of thousands each year. If a tax filer earns $1,001,000 over a year, the surtax would only apply to the $1,000 in earnings above $1 million. With a theoretical 3 percent surtax, this filer's additional income tax owed would be $30.

Gross Domestic Product (GDP) – Gross domestic product is the total monetary value of goods produced and services provided in a jurisdiction over a given period, typically one year. GDP is considered the yardstick of an economy's performance. The term “gross state product” (GSP) is sometimes used for U.S. states.

Introduction

Illinois has a tax system that disproportionately favors the wealthy. As a share of their incomes, middle-class and working families currently pay 5 percent more towards state and local taxes than households with incomes in the top 1 percent. Consequently, Illinois has the 8th most regressive tax system of the 50 U.S. states (Davis, et al. 2024). A flat individual income tax and comparatively high property tax burdens are two of the system's most regressive characteristics.

Illinois' economy has grown more unequal over time (Figure 1). In 1985, the median household earned about $72,000 in inflation-adjusted annual income. By 2025, the median household earned more than $84,000 per year, a growth of 17 percent. By contrast, incomes for the top 1 percent of households doubled from about $323,000 per year to more than $645,000. The incomes of the top 1 percent have risen 100 percent over the past four decades while the bottom 99 percent have experienced just 42 percent earnings growth. This is similar to national trends and aligns with other research that has found that chief executive officers (CEOs) now earn 281 times as much as the typical American worker—up from a multiple of 49 back in 1985 (Gould & Kandra, 2024; Gould, Bivens, & Kandra, 2025).

Figure 1: Inflation-Adjusted Household Income Growth by Income Distribution in Illinois, 1985-2025

Year	Average	Bottom 25%	Median	Top 25%	Top 1%	Bottom 99%
1985	$84,971	$35,920	$71,676	$114,647	$323,107	$82,566
1995	$91,839	$36,827	$74,088	$128,154	$330,198	$89,431
2005	$100,644	$37,003	$75,932	$132,037	$702,680	$94,563
2015	$102,646	$36,253	$72,755	$132,563	$544,570	$98,182
2025	$122,779	$41,105	$84,094	$158,044	$645,922	$117,495
Growth Since 1985	**+44.5%**	**+14.4%**	**+17.3%**	**+37.9%**	**+99.9%**	**+42.3%**
Growth Since 2015	*+19.6%*	*+13.4%*	*+15.6%*	*+19.2%*	*+18.6%*	*+19.7%*

Source(s): Authors' analysis of 1985 to 2025 Current Population Survey Annual Social and Economic Supplements(CPS ASEC) data by the U.S. Census Bureau (Flood et al., 2025).

Recent federal legislation is expected to deepen these trends. The 2025 budget reconciliation law, dubbed the "One Big Beautiful Bill Act," makes tax cuts that disproportionately favor high-income individuals permanent. Research finds that the between 60 percent and 72 percent of the tax benefits under this law will flow to high-income households, with taxpayers earning $1 million or more annually receiving a $66,000 tax cut on average (Wamhoff et al., 2025; TPC, 2025).

In response, lawmakers have debated whether to amend the Illinois Constitution to allow for higher taxes on income over $1 million (Wall, 2026; Moore, 2026).[1] One proposal would levy a 3 percent surtax on net income over $1 million, with revenue earmarked for property tax relief and education funding (Moore, 2026). Proponents have estimated that, if enacted, the tax change could raise $4.5 billion annually to reduce property taxes and decrease the overreliance on local property taxes for school district funding (Gianguilio, 2024).

[1] The Illinois Constitution states that "a tax on or measured by income shall be at a non-graduated rate" and that "at any one time there may be no more than one such tax imposed by the State for State purposes on individuals and one such tax so imposed on corporations" (ILGA, 2026a).

The public has expressed support for a "millionaires' tax" (Gianguilio, 2024). In 2024, 61 percent of Illinois voters approved an advisory referendum on a 3 percent tax on annual incomes in excess of $1 million "for the purpose of dedicating funds raised to property tax relief" (Ballotpedia, 2024). The ballot measure won the majority of votes in 62 of Illinois' 102 counties (61 percent), with broad support across urban, suburban, and rural areas (ISBE, 2026). One decade earlier, 60 percent of voters approved a similar advisory question asking whether the State should enact the 3 percent surtax to provide revenue to school districts based on their number of students (Ballotpedia, 2014).

While voters did defeat a "Fair Tax Amendment" that would have allowed the State to enact a graduated-rate income tax in 2020 by a vote of 47 percent in favor to 53 percent opposed, proposals for a millionaires' tax differ in two distinct ways (Ballotpedia, 2020). First, the Fair Tax would have increased taxes on those with annual incomes of $250,000 or more, instead of those earning $1 million per year or more.[2] Second, the Fair Tax Amendment did not create a "lockbox," which opponents argued could give "the Legislature power to increase taxes... without any requirement to use the additional revenue to fund essential needs such as healthcare, education, or public safety" (Ballotpedia, 2020).[3] Proposals for a millionaires' tax have called for dedicating new revenues to specific funds that would provide property tax rebates and increase pre-K through 12 education funding (Moore, 2026).

To become enshrined in the Illinois Constitution, a millionaires' tax amendment would need to meet two benchmarks. First, in order to appear on the ballot, the amendment must pass each chamber of the Illinois General Assembly with at least a 60 percent vote. Second, passage of a constitutional amendment requires either 60 percent approval from those voting on the question or a simple majority (50 percent plus one) of all voters who cast ballots in the election. The last constitutional amendment to successfully clear these thresholds was in 2022, when the Workers' Rights Amendment guaranteeing the fundamental right of workers to unionize and bargain collectively passed with 59 percent approval on the question itself and 53 percent yes votes among all ballots cast (Manzo & Bruno, 2023a).

This report, authored jointly by researchers at the Illinois Economic Policy Institute (ILEPI) and the Project for Middle Class Renewal (PMCR) at the University of Illinois at Urbana-Champaign, evaluates the potential impact of implementing a surtax on net incomes over $1 million annually in Illinois. The report first examines the economic experiences of states that currently levy higher taxes on individuals and families who earn over $1 million per year. Then, after highlighting data on incomes and taxes in Illinois, annual revenue estimates are presented. An assessment of three possible millionaires' tax options follows, which detail fiscal and economic impacts of "lock-boxing" the new revenue and dedicating it to specific purposes. A concluding section recaps key findings.

---

[2] The Fair Tax was also unique in that it would have applied a 7.99 percent tax on *all* net income, instead of a marginal rate, for single filers with annual incomes of $750,001 or more and joint filers with annual incomes of $1 million or more (Ballotpedia, 2020).

[3] Opponents also contended that "Illinois already has some of the highest property taxes" in the country because the State has not "eliminat[ed] government waste, corruption, and abuse" (Ballotpedia, 2020). This claim may be less salient in 2026 after "Department of Government Efficiency" (DOGE) efforts failed to reduce federal spending by eliminating waste, fraud, and abuse (Badger et al., 2025).

State Experiences with Millionaires' Taxes

A basic principle of taxation is that burdens should be based on ability to pay. Systems that ask households with the highest resources to pay greater shares of their incomes toward taxes than the poor adhere to the ability-to-pay principle, while those which disproportionately burden middle-class and working families are considered "regressive." Federal income taxes are generally graduated and based on ability to pay, although there are carve-outs and loopholes that enable high-income earners to evade higher rates. Today, a total of 26 states plus the District of Columbia have graduated income tax systems that require individuals to incrementally pay more as their earnings rise, while Illinois is one of 15 states that apply one rate to all taxable income through flat income tax systems (Fritts & Loughead, 2026). Eight states have no income tax and one—Washington—currently taxes only capital gains from high-income households (Fritts & Loughead, 2026).

Four states and the District of Columbia have millionaires' taxes. Marginal tax rates for annual incomes above $1 million are 13.3 percent in California, 10.75 percent in New Jersey, 9.65 percent in New York, 9 percent in Massachusetts, and 10.75 percent in the District of Columbia.[4] Each of these states ranks among the top 10 least regressive state and local tax systems—with the District of Columbia placing 1st, New York 4th, California 5th, New Jersey 6th, and Massachusetts 8th (Davis, et al. 2024). While the top 1 percent in Illinois pays 7 percent of their annual incomes to state and local taxes, their counterparts in these states contribute between 9 percent (Massachusetts) and 13 percent (New York)—a gap of 2 to 6 percent.[5] Starting January 1, 2028, Washington will implement a 9.9 percent tax on income over $1 million, with inflationary adjustments, to raise $3 billion and "cut taxes for working families and small business owners who have been hit hard by the affordability crisis" (Toussaint, 2026; Washington Governor, 2025; Goldstein-Street, 2025).

More states are considering raising taxes on millionaires. Lawmakers in Minnesota have proposed establishing a fifth tier of individual income tax on income over $1 million to offset federal cuts to Medicaid funding (Hubbard, 2025). Senate leaders in Connecticut have proposed a 7.99 percent tax on income over $1 million for married couples ($500,000 for single filers), a 1.09 percent increase over current levels, to mitigate federal cuts to health care, education, and other programs (Phaneuf, 2025). Rhode Island lawmakers have called for a 3 percent surtax on the top 1 percent of earners as well (Lavin, 2025). Finally, New York City Mayor Zohran Mamdani proposed a 2 percent surcharge on taxable income above $1 million for residents in the City to fund free bus transportation, free childcare, and other initiatives to lower the cost of basic services for working and middle-income families (Adam, 2025).

California voters approved the creation of four new tax brackets in 2012, including a 4 percent increase on income over $1 million, to raise revenue for K through 12 schools, community colleges, and health care for low-income residents. Proposition 30 passed with 55 percent yes votes and was set to take effect for seven years from 2012 through 2019 (Ballotpedia, 2012). In 2016, Proposition 55 extended these new tax rates through 2030 with 63 percent approval (Ballotpedia, 2016).

[4] The millionaires' tax applies to income over income over $1,077,550 in New York and $1,083,150 in Massachusetts due to inflationary adjustments. New York also has two additional tax brackets, levying a 10.3 percent marginal tax on income between $5 million and $25 million and 10.9 percent on income above $25 million (Fritts & Loughead, 2026).

[5] In fact, the top 1 percent in Illinois pays less in state and local taxes (7 percent) than their counterparts in 15 other states, including Minnesota (11 percent), Kansas (8 percent), and Maine (10 percent) (Davis, et al. 2024).

The California Franchise Tax Board reports that 129,496 taxpayers who earned $1 million or more contributed $34.8 billion in state income taxes in tax year 2022, which was paid in 2023 (Figure 2). Millionaires accounted for 1 percent of tax returns, 22 percent of adjusted gross income, and 36 percent of all income taxes paid in California. In total, the 4 percent surtax on income over $1 million raised $10.6 billion for California in 2022, or $2.6 billion for each percentage-point hike (Figure 2).

Figure 2: Revenue Impact of the Millionaires' Tax in California, Tax Year 2022

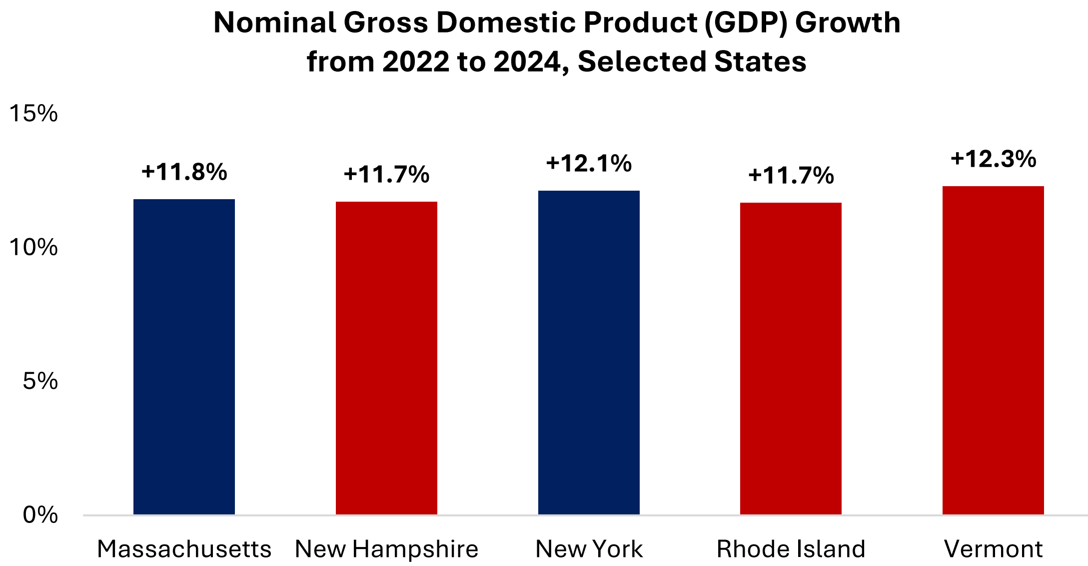
California Revenue Metric	Value
Taxable Returns with Adjusted Gross Income in California (AGIC) of $1,000,000+	129,496
Total Taxable Income of AGIC Millionaires	$393.7 billion
Total State Income Taxes Collected from AGIC Millionaires	$34.8 billion
Effective (Average) Tax Rate of AGIC Millionaires	8.8%
Share of AGIC Attributable to Millionaires	21.9%
Share of State Income Taxes Attributable to Millionaires	35.7%
Revenue Impact of 4 Percent Millionaires' Surtax	**+$10.5 billion**
Share of AGIC Millionaires' Income Taxes Collected from 4 Percent Surtax	*30.3%*

Source(s): Authors' analysis of "B-4A, Adjusted Gross Income Class Comparison, All Filing Statuses" for tax year 2022 by the California Franchise Tax Board (California Franchise Tax Board, 2024). Note: In 2022, the average California millionaire earned $3.0 million in annual taxable income and paid $268,894 in income taxes—of which $81,608 was attributable to the 4 percent surtax on income over $1 million.

Massachusetts is the most recent state to enact a millionaires' tax. In 2022, 52 percent of voters approved the "Fair Share Amendment" to the state's constitution, establishing an additional 4 percent tax on incomes over $1 million "to provide the resources for quality public education and affordable public colleges and universities, and for the repair and maintenance of roads, bridges, and public transportation" (MassBudget, 2026). Proponents contended that that millionaires would "pay their fair share" and that "the additional money is constitutionally guaranteed to go towards transportation and public education," while opponents argued that the measure would increase taxes on "small business owners, large employers, and retirees" (Ballotpedia, 2022). One report from a think tank opposing the tax change claimed that it would only raise $1.5 billion in annual tax revenue by 2027 and reduce the commonwealth's gross domestic product (GDP) by $542 billion (Burke & Tuerck, 2021).

These arguments proved incorrect (Lewis & O'Day, 2025). The surtax generated $2.5 billion in the first year after enactment and $3.0 billion last year (Solomon, 2025; Micek, 2025). The revenue has expanded the commonwealth's preschool program, provided free breakfast and lunch for all school children, made tuition-free community college universal for all in-state students, bolstered literacy programs, delivered $160 million in school building improvements, funded road and bridge improvements, and supported the Massachusetts Bay Transportation Authority and other public transit agencies (Solomon, 2025; Ryan, 2025; Lewis & O'Day, 2025). Additionally, from 2022 to 2024, Massachusetts' GDP expanded by 11.8 percent, which was slightly faster than neighboring Connecticut (10.9 percent), New Hampshire (11.7 percent), and Rhode Island (11.7 percent)—which do not have millionaires' taxes—but slower than New York (12.1 percent)—which does have a millionaires' tax (Figure 3).

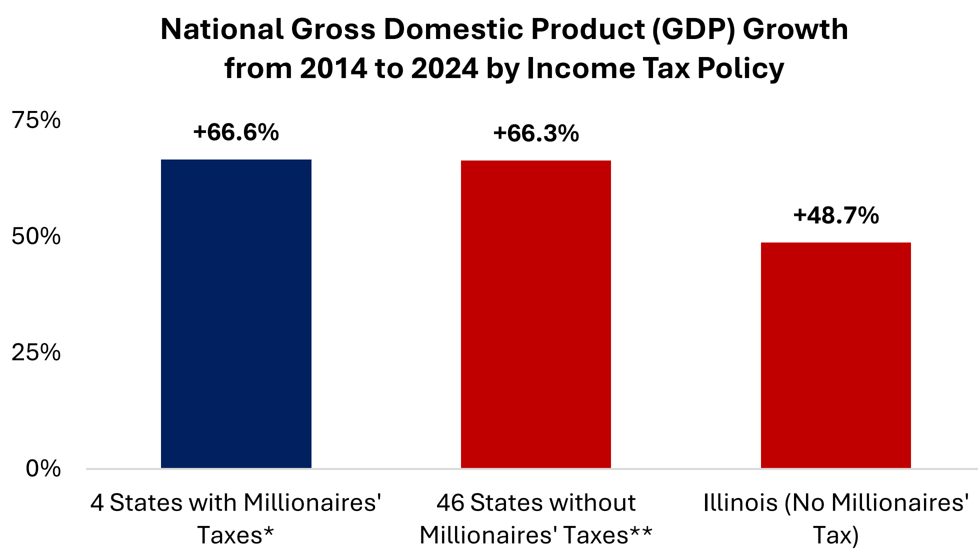
Figure 3: Economic Growth Since Massachusetts Enacted a 4 Percent Millionaires' Surtax in 2022



Source(s): Authors' analysis of 2022 to 2024 "Regional Data: GDP and Personal Income" data by the Bureau of Economic Analysis at the U.S. Department of Commerce (BEA, 2026). Note: GDP growth is in current dollars and not adjusted for inflation.

Nationally, economic growth in states with millionaires' taxes has been just as robust as in states without them (Figure 4). From 2014 to 2024, the combined GDP of California, New York, New Jersey, Massachusetts, and the District of Columbia increased by 67 percent. By contrast, in the 46 other states, aggregate GDP improved by 66 percent. Illinois' economy expanded by 49 percent over this 10-year period, suggesting that millionaires' taxes are not determinative for economic growth rates.

Figure 4: Economic Growth in States with and without Millionaires' Taxes from 2014 through 2024



Source(s): Authors' analysis of 2014 to 2024 "Regional Data: GDP and Personal Income" data by the Bureau of Economic Analysis at the U.S. Department of Commerce (BEA, 2026). Note: GDP growth is in current dollars and not adjusted for inflation. *The "4 States with Millionaires' Taxes" include California, New Jersey, New York, Massachusetts, and the District of Columbia. The "46 States without Millionaires' Taxes" category includes Illinois.

Finally, taxes have been found to have very little influence over migration patterns (Mazerov, 2023). Surveys reveal that seven-in-10 interstate movers cite job-related reasons or family-related reasons as their primary factor, and high housing costs are more strongly associated with net outmigration than tax-related causes (Mazerov, 2023). A 2016 study by researchers at Stanford University and the U.S. Department of the Treasury evaluated tax returns for all million-dollar earners over a 13-year period and found that millionaires move at a lower rate (2 percent) than the population as a whole (3 percent). Lower-income individuals, who tend to move in search of employment opportunities, have the highest migration rates. Millionaires, on the other hand, are "embedded elites" who are more likely to be married, to have children, to have business obligations, and to have interpersonal ties in their states (Young et al., 2016). As a result, millionaire tax flight "only occur[s] at the margins" and states with high marginal tax rates experience growth in the number of taxpayers earning $1 million or more income that is as strong as other states (Young et al., 2016; Blaxandall, 2018).[6]

Results are similar when assessing changes in state and federal policies. Very few millionaires exited New Jersey after the state raised its income tax rate on top earners, and those who left tended to be past retirement age or living primarily on investments rather than earning income from employers or their own businesses (Young & Varner, 2011).[7] California lost less than 0.1 percent of its millionaires following passage of the millionaires' tax in 2012 (Rauh & Shyu, 2022; Varner, Young, & Prohofsky, 2018). More people moved into Massachusetts than out of it following enactment of its millionaires' tax, with taxpayers earning $1 million or more growing at the fastest rate (Wise, 2024). However, a national analysis of 3.9 million tax returns from high earners from 2015 through 2021 concluded that the federal Tax Cuts and Jobs Act in 2017 had small effects on millionaire migration, with every 1 percent increase in top marginal tax rates producing a 0.05 percent loss in the millionaire population (Young & Lurie, 2022). The onset of the COVID-19 pandemic also slightly weakened elites' attachment to their communities (Young & Lurie, 2022).

Implementation of a millionaires' tax in Illinois would be unlikely to cause additional outmigration. Illinois has a lower outmigration rate (3 percent) for households with incomes above $200,000 than 11 other states (Mazerov, 2023). An analysis of a decade of migration patterns found that people who move out of Illinois tend to be younger and have lower incomes, those who move into the state are better educated and locate in urban or suburban areas, and those who stay have higher household incomes, are more likely to be homeowners, and are more likely to be married (Manzo & Bruno, 2023b).[8]

---

[6] The authors find that a 1 percent increase in the top tax rate leads to a 0.1 percent loss of the millionaire population in a state (Young et al., 2016).

[7] Each 1 percent increase in the effective tax rate led to a 0.3 percent drop in the millionaire population in New Jersey (Young & Varner, 2011).

[8] Hedge fund billionaire Ken Griffin became the media's most prominent example of a top earner departing Illinois when he relocated to Florida in 2022. Before his departure, Griffin contributed $54 million to defeat the "Fair Tax Amendment" in 2020, and accounted for more than 1 percent of all income tax revenue received by the State of Illinois (Ballotpedia, 2020; Chicago Tribune Editorial Board, 2022). However, his primary concern was violent crime in Chicago and its impact on attracting new employees to his company, not taxes (Macias, 2025; Chicago Tribune Editorial Board, 2022). Violent crime has declined rapidly in Chicago since its peak in 2021, with the City recording its lowest number of homicides in 60 years in 2025 (Miller, Heather, & Sherry, 2026). Compared to one year earlier, homicides, shootings, robberies, and carjackings were all down between 29 percent and 48 percent (Qin & Gomez-Aldana, 2025).

Income and Taxes in Illinois

An understanding of Illinois tax returns is required to consider the effects of a millionaires' tax. This section primarily utilizes tax data from the Illinois Department of Revenue (IDOR) obtained through an open records request under the Freedom of Information Act (FOIA) (IDOR, 2026a). Property tax statistics from the Illinois Department of Revenue are also incorporated into the analysis (IDOR, 2025). In addition, information from the Statistics of Income (SOI) dataset from the Internal Revenue Service (IRS) are used as well (IRS, 2025).

Annual Incomes

Illinois taxpayers reported earning nearly $1 trillion in adjusted gross income (AGI) in 2023 (Figure 5). Adjusted gross income includes wages, salaries, tips, business income, capital gains, and retirement income. The average tax filer in Illinois, including both single individuals and married couples, earned about $157,300 in adjusted gross income in 2023. This average AGI figure is inflated by the 28,600 Illinois tax filers who earned an average of $3.1 million annually in adjusted gross income as well as by "non-Illinois totals," which include out-of-state entrepreneurs who do business and earn profits in Illinois, athletes from major sports teams who pay state taxes when they play games in Illinois, and related outliers. There were more than 3,700 out-of-state returns with net income over $1 million.

However, Illinois residents are taxed based on *net income*. Net income is adjusted gross income minus retirement income, exemptions, and other subtractions. For example, taxpayers reporting $50,000 or less in taxable income averaged $37,800 in adjusted gross income but just $18,300 in net income. Much of this difference is attributable to retirees, who do not have to pay individual income taxes on their Social Security checks, pension earnings, 401(k)s, and related gains. Overall, tax filers in Illinois reported $517 billion in taxable net income in 2023. Their average annual net income was about $83,200 (Figure 5).

Figure 5: Tax Filers, Adjusted Gross Income, and Net Income by Income Bracket in Illinois, 2023

Net Income Range	Tax Filers	Adjusted Gross Income (AGI)	Average AGI	Net Income (Taxable)	Average Net Income (Taxable)
Illinois Totals					
$50,000 or Less	3,285,907	$124.37 billion	$37,849	$60.29 billion	$18,348
$50,001-$100,000	1,188,973	$101.34 billion	$85,232	$84.77 billion	$71,293
$100,001-$500,000	1,090,313	$217.97 billion	$199,913	$199.15 billion	$182,656
$500,001-$1,000,000	59,215	$40.76 billion	$688,297	$39.89 billion	$676,982
$1,000,001 or More	*28,639*	*$89.77 billion*	*$3,134,542*	*$89.66 billion*	*$3,155,045*
Non-Illinois Totals*					
$1,000,000 or Less	554,574	$321.64 billion	$48,607	$26.96 billion	$579,973
$1,000,001 or More	*3,749*	*$81.32 billion*	*$21,690,526*	*$15.92 billion*	*$4,245,600*
Total	**6,211,370**	**$977.16 billion**	**$157,318**	**$516.62 billion**	**$83,174**
Illinois Totals	**5,653,047**	**$574.20 billion**	**$101,574**	**$473.75 billion**	**$83,804**
Non-Illinois Totals*	**558,323**	**$402.96 billion**	**$721,725**	**$42.87 billion**	**$76,788**

Source(s): Authors' analysis of data obtained via open records requests to the Illinois Department of Revenue (IDOR, 2026a). This data does not separate single taxpayers and those who file jointly. The data also excludes households that do not file tax returns. *Note: Non-Illinois totals are for non-residents and tax returns with invalid zip codes. There are millionaire earners in this out-of-state group, and they are included in other Figures throughout this report.

Figure 6 shows the distribution of tax filers, AGI, and taxable net income in Illinois by income bracket for the 2023 tax year. About seven-in-10 Illinois filers reported net income of $100,000 or less (72 percent). These individuals and families accounted for 23 percent of all taxable income in the state. By contrast, those with $1 million or more in net income—the only level that would be directly affected by a millionaires' tax amendment—accounted for just 0.6 percent of tax filers but 21 percent of all taxable income in Illinois (Figure 6).

Figure 6: Tax Filer, Adjusted Gross Income, and Net Income Shares by Income Bracket in Illinois, 2023

Net Income Range	Tax Filers	Adjusted Gross Income (AGI)	Net Income (Taxable)
$50,000 or Less	52.9%	12.7%	11.7%
$50,001-$100,000	19.1%	10.4%	16.4%
$100,001-$500,000	17.6%	22.3%	38.5%
$500,001-$1,000,000	1.0%	4.2%	7.7%
$1,000,001 or More	**0.5%**	**9.2%**	**17.4%**
Non-Illinois Totals*			
$1,000,000 or Less	8.9%	32.9%	5.2%
$1,000,001 or More	**0.1%**	**8.3%**	**3.1%**
Total	**100.0%**	**100.0%**	**100.0%**

Source(s): Authors' analysis of data obtained via open records requests to the Illinois Department of Revenue (IDOR, 2026a). This data does not separate single taxpayers and those who file jointly. The data also excludes households that do not file tax returns. *Note: Non-Illinois totals are for non-residents and tax returns with invalid zip codes. There are millionaire earners in this out-of-state group, and they are included in other Figures throughout this report.

Income Taxes and Property Taxes

Illinois has experienced a substantial increase in tax returns from higher-income households (Figure 7). The number of taxpayers reporting over $1 million in net income grew by 36 percent from 2019 to 2023, and the number reporting between $500,001 and $1 million increased by 40 percent. Tax filers earning between $100,001 and $500,000 increased by 27 percent and middle-class households reporting between $50,001 and $100,000 in taxable income grew 8 percent. Conversely, it was only at the lower end of the income distribution where Illinois lost portions of its tax base between 2019 and 2023. This was partly caused by inflation and a rising minimum wage, with the Consumer Price Index (CPI) increasing by 19 percent between December 2019 and December 2023 and many lower-paid taxpayers receiving raises that caused them to "graduate" into higher net income brackets (BLS, 2026).

Figure 8 reveals the millionaire taxpayer trend in Illinois. Since 2019, millionaire taxpayers have grown by an average of 8 percent per year, representing about 2,000 more tax filers with net incomes over $1 million each year. Their combined net income has expanded by nearly 8 percent per year, or about $7.2 billion more per year (Figure 8).

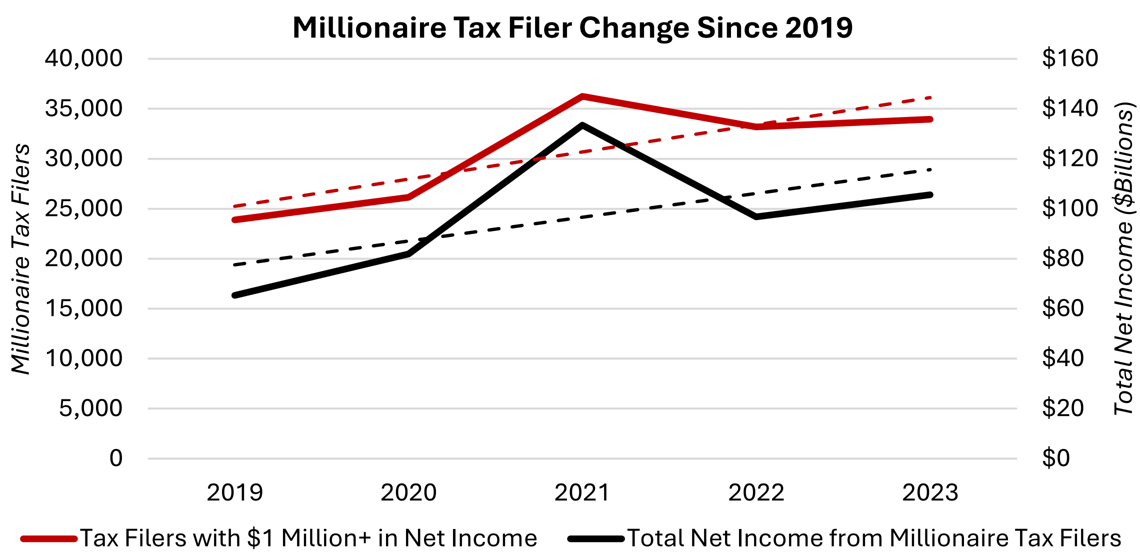
Illinois' homeowners face some of the highest property taxes in the country. Illinois ranks 8th nationally in average property tax bills, behind only New Jersey, New Hampshire, Connecticut, New York, Massachusetts, Vermont, and Rhode Island (Manzo & Bruno, 2025). A December 2024 report from the nonpartisan Commission on Government Forecasting and Accountability found that Illinois ranks 6th nationally in per capita property tax revenue collected, behind New Jersey, Connecticut, New Hampshire, New York, and Massachusetts (O'Malley, 2024). These high property taxes raise monthly costs for both owners and renters, worsening housing affordability.

Figure 7: Change in Tax Filers and Net Income in Illinois from 2019 to 2023

Net Income Range	2019		2023		Change since 2019	
	Tax Filers	Net Income (Taxable)	Tax Filers	Net Income (Taxable)	Tax Filers	Net Income (Taxable)
$50,000 or Less	3,706,515	$64.22 billion	3,285,907	$60.29 billion	-11.3%	-6.1%
$50,001-$100,000	1,105,596	$78.58 billion	1,188,973	$84.77 billion	+7.5%	+7.9%
$100,001-$500,000	859,090	$151.22 billion	1,090,313	$199.15 billion	+26.9%	+31.7%
$500,001-$1,000,000	42,149	$28.46 billion	59,215	$39.89 billion	+40.5%	+40.1%
$1,000,001 or More	**21,090**	**$65.34 billion**	**28,639**	**$89.66 billion**	**+35.8%**	**+37.2%**
Non-Illinois Totals*	600,125	$37.96 billion	558,323	$42.87 billion	-7.0%	+12.9%
Total	**6,334,565**	**$425.78 billion**	**6,211,370**	**$516.62 billion**	**-1.9%**	**+21.3%**

Source(s): Authors' analysis of data obtained via open records requests to the Illinois Department of Revenue (IDOR, 2026a). This data does not separate single taxpayers and those who file jointly. The data also excludes households that do not file tax returns. *Non-Illinois totals are for non-residents and tax returns with invalid zip codes.

Figure 8: Change in Tax Filers and Net Income (NI) in Illinois Since 2019 – Net Incomes Over $1 Million



Source(s): Authors' analysis of data obtained via open records requests to the Illinois Department of Revenue (IDOR, 2026a). This data does not separate single taxpayers and those who file jointly, and it includes "non-Illinois" millionaires. Note that millionaire tax filers and their net incomes are generally correlated with stock market returns. For example, the performance of the S&P 500, including dividends, was +16.3 percent in 2020, +26.9 percent in 2021, -19.4 percent in 2022, and +24.2 percent in 2023 (FRED, 2026). The index grew +23.3 percent in 2024 and +16.4 percent in 2025, so millionaire tax filers and their net incomes are expected to have also increased in those years (FRED, 2026).

Illinois homeowners can deduct 5 percent of their property taxes from their state income taxes (IDOR, 2026a). An analysis of the 2.0 million tax filers who own property and claim the credit allows for an accurate estimate of property tax burdens (Figure 9). In 2023, the average Illinois homeowner paid more than $6,000 in local property taxes (or $500 per month), according to the Illinois Department of Revenue data. This is significantly higher than the $4,100 average state income tax burden. On average, property taxes represent 7 percent of net income compared to the 4.95 percent income tax rate.

Figure 9: Property Taxes Collected and Effective Tax Rate by Income Bracket in Illinois, 2023

Net Income Range	Average Net Income	Average State Income Taxes	Effective Income Tax Rate	Average Property Taxes	Property Tax Rate (Share of Net Income)
$50,000 or Less	$18,348	$908	4.95%	$4,270	23.3%
$50,001-$100,000	$71,293	$3,529	4.95%	$5,101	7.2%
$100,001-$500,000	$182,656	$9,041	4.95%	$7,993	4.4%
$500,001-$1,000,000	$676,982	$33,341	4.95%	$14,862	2.2%
$1,000,001 or More	**$3,155,045**	**$154,962**	**4.95%**	**$18,870**	**0.6%**
Non-Illinois Totals*	$76,788	$3,801	4.95%	$6,925	9.0%
Total	**$83,174**	**$4,117**	**4.95%**	**$6,004**	**7.2%**

Source(s): Authors' analysis of data obtained via open records requests to the Illinois Department of Revenue (IDOR, 2026a). This data does not separate single taxpayers and those who file jointly. The data also excludes households that do not file tax returns. *Note: Non-Illinois totals are for non-residents and tax returns with invalid zip codes. There are millionaire earners in this out-of-state group, and they are included in other Figures throughout this report.

Illinois' property taxes are particularly regressive (Figure 9). Homeowners with net incomes of less than $50,000 annually pay nearly 23 percent of their total taxable incomes towards property taxes. Homeowners with net incomes between $50,001 and $200,000 typically contribute between 4 percent and 7 percent of their total taxable incomes towards property taxes. Meanwhile, millionaire homeowners contribute just 0.6 percent of their net incomes toward property taxes. This data demonstrates the skewed nature of Illinois' tax system, which disproportionately benefits high-income earners and places higher burdens on low-income and middle-class families.

Pass-Through Business Income

While corporations face a 7.0 percent tax rate in Illinois, "pass-through" businesses are subject to the individual income tax rate. Pass-through entities include partnerships and S corporations, which are businesses of two or more people that pass on profits and losses to the individual partners or shareholders. The "One Big Beautiful Bill Act" budget reconciliation law permanently extended a provision in the 2017 Tax Cuts and Jobs Act allowing pass-through business owners to deduct 20 percent of "qualified business income" on their taxes, effectively creating a two-tiered system in which taxes are 20 percent lower for people with business income than they are for workers earning the same amounts from wages and salaries (Husak, 2025).

Figure 10: Pass-Through Business Income in Illinois – Federal SOI Data, Tax Year 2022

Federal Income Tax Return Data for Illinois in Tax Year 2022	All Returns	Returns with AGIs of $1 Million+
Number with Partnership or S Corp Net Income	397,600	**22,020**
Net Income from Partnerships or S Corps	$41.18 billion	**$26.88 billion**
Average Net Income from Partnerships or S Corps	$103,565	**$1,220,603**
Share of All Tax Filers	6.4%	**0.4%**
Share of All Net Income	8.1%	**1.0%**

Source(s): Authors' analysis of "SOI Tax Stats – Historic Table 2" for tax year 2022 by the Internal Revenue Service at the U.S. Department of the Treasury (IRS, 2025) and tax year 2022 data obtained via open records requests to the Illinois Department of Revenue (IDOR, 2026a).

According to data from the IRS' Statistics of Income (SOI), nearly 400,000 Illinois tax filers reported that they had net income from partnerships or S corporations in 2022, representing 6 percent of all taxpayers (Figure 10). The total net income from partnerships and S corporations was $41.2 billion, or an average of $103,600 for each small business owner with pass-through income. Illinois had 22,000 millionaire earners who reported earnings from partnerships and S corporations, averaging $1.2 million in pass-through income. Consequently, tax filers with more than $1 million in pass-through business income accounted for 0.4 percent of Illinois' taxpayers but their profits from those businesses accounted for 8 percent of all net income generated over the year in Illinois (Figure 10).

Growth in State and Local Tax Revenues

The fastest growing source of revenue into the General Fund has come from the profits of pass-through businesses and corporations (Figure 11). From fiscal year 2021 to fiscal year 2025, net income tax revenue increased from $22.5 billion to $28.1 billion—a growth of 25 percent, or 6 percent annualized.[9] The pass-through income portion of this revenue increased from $656 million to $4.2 billion—a growth of 545 percent, or 59 percent annualized. All other personal income tax revenues increased by 9 percent over this time, or more than 2 percent per year. Meanwhile, net corporate tax revenues increased by 33 percent (7 percent annualized) and net sales taxes grew by 13 percent (3 percent annualized) (Figure 11).[10]

Figure 11: Sources of Illinois General Fund Revenues, Fiscal Years 2021 Through 2025

Illinois General Fund Revenues (Billions of Dollars)	All Income Tax (Net)	Individual Income Tax (Net)	Pass-Through Income Tax (Net)	Corporate Income Tax (Net)	Sales Tax (Net)
Fiscal Year 2021	$22.50	$21.85	$0.66	$3.56	$9.32
Fiscal Year 2022	$24.81	$22.67	$2.14	$5.41	$10.17
Fiscal Year 2023	$23.72	$21.79	$1.93	$5.83	$10.38
Fiscal Year 2024	$25.57	$22.22	$3.36	$5.23	$10.40
Fiscal Year 2025	$28.14	$23.91	$4.23	$4.73	$10.50
4-Year Growth	*+25.1%*	*+9.4%*	*+545.1%*	*+32.7%*	*+12.7%*
Annualized Growth Rate	**+5.7%**	**+2.3%**	**+59.4%**	**+7.3%**	**+3.0%**

Source(s): Authors' analysis of "Financial Reports & Data – Revenue Source" for fiscal years 2021 through 2025 by the Illinois State Comptroller (Illinois Comptroller, 2026). Note that income tax numbers differ slightly in Figure 11 because these are fiscal year results (other Figures use tax year results) and they report only the amount of revenues retained in the General Fund after accounting for revenue directed to local governments via the Local Government Distributive Fund (LGDF) and for refunds to taxpayers.

At the local level, property taxes have grown by an average of just under 4 percent annualized (Figure 12). Property tax collections totaled $38.5 billion for tax year 2023, which were paid in 2024. This was a 42 percent increase over a decade earlier. School districts accounted for 62 percent of all property tax collections, totaling $23.9 billion. Taxes collected by local school districts grew by about 3

[9] Net income tax revenue is the income tax revenue remaining in the General Fund after Refund Fund payments and transfers to the Local Government Distributive Fund (LGDF) are made. Note that Figure 11 uses *fiscal years*, which run from July 1 through June 30, while the Illinois Department of Revenue uses *tax years,* which run from January 1 through December 31. This is why the net income tax revenue in Figure 11 differs from total income tax revenue reported in previous Figures.

[10] Over the 10-year period from fiscal year 2015 through fiscal year 2024, net personal income tax revenues grew by 5.4 percent per year, net corporate income taxes grew by 10.4 percent per year, and net sales taxes grew by 10.4 percent per year (Varner, 2025).

percent per year over the last 10 years. Additionally, residential property tax revenue amounted to $24.5 billion, or 64 percent of all revenue compared with 32 percent from commercial and industrial properties ($12.2 billion). Overall, residential property taxes grew by a little over 3 percent per year over the decade (Figure 12).

Figure 12: Illinois Property Taxes Since 2014 – Totals, School Districts, and Collections By Class

Tax Year	Payable In	Property Tax Collections (Billions of Dollars)			
		Total Collections	Collections to Schools	From Residential Properties	From Commercial and Industrial Properties
2013	2014	$27.13	$17.16	$17.48	$8.61
2014	2015	$27.71	$17.56	$17.97	$8.63
2015	2016	$28.75	$17.98	$18.59	$8.98
2016	2017	$29.81	$18.61	$19.29	$9.30
2017	2018	$30.86	$19.24	$20.80	$10.66
2018	2019	$31.81	$19.68	$20.33	$10.15
2019	2020	$32.86	$20.25	$20.80	$10.66
2020	2021	$33.82	$20.81	$21.28	$11.07
2021	2022	$34.89	$21.44	$21.95	$11.39
2022	2023	$36.68	$22.68	$23.23	$11.80
2023	2024	$38.48	$23.92	$24.52	$12.21
10-Year Growth		*+41.9%*	*+39.4%*	*+40.3%*	*+41.8%*
Annualized Growth Rate		**+3.6%**	**+3.4%**	**+3.4%**	**+3.6%**

Source(s): Authors' analysis of "Property Tax Statistics" by the Illinois Department of Revenue (IDOR, 2026b) for tax years 2013 through 2023.

Implementing a Millionaires' Tax in Illinois

The Illinois Economic Policy Institute (ILEPI) and the Project for Middle Class Renewal (PMCR) at the University of Illinois at Urbana-Champaign have jointly forecasted the impacts from implementing a possible millionaires' tax in Illinois and provided three options for earmarking revenues for specific purposes.[11] The three options are intended to educate voters and lawmakers.[12]

Revenue impacts in this section are generally *conservative* due to four assumptions. First, the analysis uses the average number of millionaire taxpayers—and their average net income—reported by the Illinois Department of Revenue (IDOR) over the three-year period from 2021 through 2023 as a baseline. Taking a three-year average ensures that the analysis is not influenced by an overly good year with more millionaire tax filers than normal due to, for example, strong performance in the stock

[11] There are alternative revenue enhancement options that state lawmakers could pursue. One example is to modernize the sales tax to cover services that are disproportionately used by higher-income households, such as investment counseling services, private detective services, and aircraft lease and rental services. Broadening the sales tax base and lowering the tax rate from 6.25 percent to 6.0 percent would generate between $700 and $800 million annually for the State and make the tax code less regressive (Aleman et al., 2025; CMAP, 2023). The State could also reform the estate tax to raise between $151 million and $221 million per year or place a tax on digital advertising to bring in an estimated $725 million (Bellisle et al., 2023; IL Revenue Alliance, 2025).

[12] ILEPI and PMCR do not specifically endorse any one of the options.

market.[13] Second, the analysis incorporates a 0.3 percent decline in the millionaire population for each 1 percent increase in the top marginal tax rate. This is the highest rate of millionaire migration reported in peer-reviewed academic research (Young & Lurie, 2022; Young & Varner, 2011). Third, the analysis fills in gaps by assuming that the net income of millionaires increased at the same pace as the overall rise in individual tax revenues in 2024 (8 percent) and 2025 (10 percent).[14] This estimated growth is likely slower than what has occurred because millionaires and other high-income earners have been growing faster than all other taxpayers in Illinois over recent years (see Figures 7 and 13). Finally, it assumes that the net income of millionaires will expand by about 5 percent per year through 2030, consistent with the average 10-year growth rate for all individual income tax revenue (Varner, 2025).[15]

From tax year 2021 through tax year 2023, an average of 34,000 Illinois taxpayers reported a net income of $1 million or more (Figure 13). Their total net income averaged $126.6 billion annually, or $3.3 million per filer. Assuming the number of taxpayers earning $1 million or more annually and their net incomes both grow at least as fast as the statewide average, they are expected to file more than 41,000 returns—representing 0.6 percent of taxpayers—and earn $166.8 billion in 2027 (Figure 13).

Figure 13: Tax Returns and Net Income from Millionaires in Illinois, 2019 to 2023 with 2026 Estimates

Tax Year	Tax Filers with $1 Million+ in Net Income	Total Net Income from Millionaire Tax Filers	Average Net Income Per Millionaire
2019	23,885	$76.79	$3,214,955
2020	26,137	$97.27	$3,721,527
2021	36,246	$159.77	$4,407,808
2022	33,200	$114.47	$3,448,016
2023	32,388	$105.57	$3,259,613
Change: 2019-2023	*+35.6%*	*+37.5%*	*+1.4%*
2021-2023 Average	**33,945**	**$126.60**	**$3,705,146**
2027 Estimated	***41,893***	***$166.78***	***$3,981,127***

Source(s): Authors' analysis of data obtained via open records requests to the Illinois Department of Revenue (IDOR, 2026a), adjusted to fiscal year 2027 and fiscal year 2030 dollars using annual growth rates in *Three-Year Budget Forecast: FY 2026 – FY 2028* by the Illinois Commission on Government Forecasting and Accountability (Varner, 2025). This data does not separate single taxpayers and those who file jointly, and it includes "non-Illinois" millionaires.

If implemented, a millionaires' surtax would generate billions of dollars in new revenue for the State of Illinois (Figure 14). A 1 percent tax on net income above $1 million would generate $1.2 billion next year and $1.5 billion annually by 2030. A 2 percent surtax would add $2.5 billion in revenue next year and $2.9 billion by 2030. A 3 percent tax on net income above $1 million would generate $3.7 billion in year 2027 and $4.4 billion by fiscal year 2030. A 4 percent surtax like the increase in Massachusetts

[13] Research shows that many taxpayers who earn $1 million or more had "unusually good years," such as through strong investment gains or from selling a business or winning the lottery, and that many eventually fall out of the millionaire bracket (Varner, Young, & Prohofsky, 2018). Millionaire tax filers and their net incomes are generally correlated with stock market returns. For example, the performance of the S&P 500, including dividends, was +16.3 percent in 2020, +26.9 percent in 2021, -19.4 percent in 2022, and +24.2 percent in 2023 (FRED, 2026). The index grew +23.3 percent in 2024 and +16.4 percent in 2025 (FRED, 2026).

[14] In Figure 11, the "all income tax (net)" column increased from $23.72 billion in fiscal year 2023 to $25.57 billion in fiscal year 2024, a 7.8 percent increase, and to $28.14 billion in fiscal year 2025, an annual increase of 10.0 percent.

[15] Over the 10-year period from fiscal year 2015 through fiscal year 2024, net personal income tax revenues grew by 5.4 percent per year (Varner, 2025).

would bring in $4.9 billion next year and $5.8 billion by 2030. Both advisory referenda passed by three-fifths of Illinois voters have only asked about a 3 percent surtax (Ballotpedia, 2024; Ballotpedia, 2014).

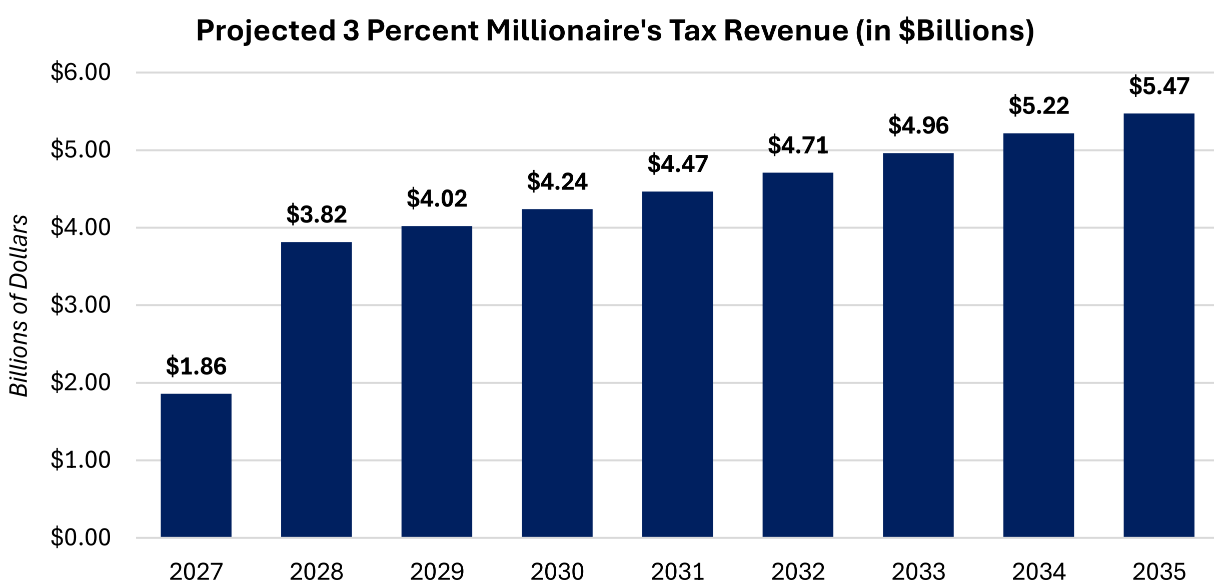
Figure 14: Estimated Income Tax Revenue Generated by Millionaires' Tax in Illinois, by Surtax Rate

Millionaires' Surtax by Proposed Rate	Tax Filers with Net Income Above $1 Million	Effective Income Tax Rate	Forecasted Revenue in Tax Year 2027	Forecasted Revenue in Tax Year 2030
No change	40,657	4.95%	$0	$0
1 Percent	40,543	5.7%	+$1.25 billion	+$1.46 billion
2 Percent	40,429	6.4%	+$2.48 billion	+$2.91 billion
3 Percent	**40,315**	**7.2%**	**+$3.72 billion**	**+$4.35 billion**
4 Percent	40,202	7.9%	+$4.94 billion	+$5.78 billion

Source(s): Authors' analysis of data obtained via open records requests to the Illinois Department of Revenue (IDOR, 2026a), adjusted to tax year 2027 and tax year 2030 using annual growth rates in *Three-Year Budget Forecast: FY 2026 – FY 2028* by the Illinois Commission on Government Forecasting and Accountability (Varner, 2025) and adjusted for a research-high millionaire migration semi-elasticity of -0.28 (Young & Varner, 2011).

It must be noted, however, that there is a difference between tax years and fiscal years. The tax year follows the calendar year, from January 1 through December 31. The State of Illinois' fiscal year runs from July 1 through June 30. If a 3 percent millionaires' tax was passed by voters in November 2026 and implemented in January 2027, then it would apply to the final six months of fiscal year 2027. Subsequently, fiscal year 2028 would include approximately half the revenue from tax year 2027 (July 1 through December 31) and half from tax year 2028 (January 1 through June 30). As result, the State would collect an estimated $1.9 billion from the millionaires' tax in fiscal year 2027, $3.8 billion in fiscal year 2028, $4.0 billion in fiscal year 2029, and $4.2 billion by fiscal year 2030 (Figure 15).

Figure 15: Estimated Income Tax Revenue Generated by 3 Percent Millionaires' Tax, by *Fiscal Year*



Source(s): Authors' analysis of data obtained via open records requests to the Illinois Department of Revenue (IDOR, 2026a), adjusted to fiscal years 2027 through 2033 using annual growth rates in *Three-Year Budget Forecast: FY 2026 – FY 2028* by the Illinois Commission on Government Forecasting and Accountability (Varner, 2025) and adjusted for a research-high millionaire migration semi-elasticity of -0.28 (Young & Varner, 2011).

Option 1: Provide Property Tax Relief to Homeowners

The Illinois Constitution could be amended to create a 3 percent surtax on net income greater than $1 million and to require that the additional revenue be used solely for providing property tax relief for homeowners. In 2024, three-fifths (61 percent) of Illinois voters indicated that they would support this option (Ballotpedia, 2024). With homeownership becoming less attainable over recent years, this change would reduce monthly ownership costs and improve housing affordability across the state (Manzo & Bruno, 2025).

Figure 16: Illinois General Homestead Exemptions for Residential Properties, 2022 to 2024

Tax Year	Payable In	General Homestead Exemptions in Illinois			
		Statewide	Cook County	Collar Counties	Rest of State
2021	2022	3,090,506	1,029,677	868,060	1,192,769
2022	2023	3,077,768	1,013,359	872,927	1,191,482
2023	2024	3,061,473	1,013,359	872,274	1,185,657
2021-2023 Average	**2022-2024 Average**	**3,076,582** ***(100.0%)***	**1,018,798** ***(33.1%)***	**871,087** ***(28.3%)***	**1,189,969** ***(38.7%)***

Source(s): Authors' analysis of "Property Tax Statistics" by the Illinois Department of Revenue for tax years 2021 through 2023 (IDOR, 2026b).

This would raise $3.8 billion in revenue in fiscal year 2028 and $4.2 billion by fiscal year 2030 (Figure 15). All revenue would be deposited into the Illinois Property Tax Relief Fund, which was created by lawmakers in fiscal year 2021 "to pay rebates to residential property taxpayers" who are eligible for and claim general homestead exemptions (ILGA, 2026b). General homestead exemptions are available for homeowners at their principal place of residence (IDOR, 2026b).[16] Institutional investors, landlords, and out-of-state residents who primarily live in other states but have a second home in Illinois cannot claim the exemption. Illinois Department of Revenue data reveals that about 3.1 million homeowners claimed the general homestead exemption from 2021 through 2023, including 1.0 million homeowners in Cook County (33 percent), 870,000 homeowners in the collar suburbs of Chicago (28 percent), and 1.2 million homeowners downstate (39 percent) (Figure 16).

The millionaires' tax amendment would allow the State to provide annual property tax rebates (Figure 17).[17] A flat $1,500 rebate, equivalent to $125 per month, for each of Illinois' 3.1 million qualified homeowners would cost $4.6 billion. These rebates would be paid out in the second half of each year since property tax bills are typically due in June and September. Payments would start at the end of fiscal year 2028, and could initially be equal to $1,200, or $100 per month, which would leave an estimated $2.0 billion in the Illinois Property Tax Relief Fund. Rebates would then increase to $1,500 per year. The Illinois Property Tax Relief Fund balance would dip until millionaires' tax revenues exceed the total value of rebates, which would be estimated to occur in Fiscal Year 2032. Once the Illinois Property Tax Relief Fund balance begins to grow, the rebate amount per homeowner could be

[16] Tenants in single-family dwellings who have an ownership interest in the property (but are not full owners), occupy it as their principal place of residence, and are the party responsible for paying property taxes can also claim the general homestead exemption (IDOR, 2026c).

[17] The legislation creating the Illinois Property Tax Relief Fund requires county assessors to certify the total number of general homestead exemptions to the State Comptroller, who subsequently calculates and distributes rebate amounts to each county treasurer. The county treasurers then reduce each qualified property tax bills by the rebate amount—$1,500 in this case—and include a separate line item on each property tax bill enumerating the rebate amount (ILGA, 2026b).

adjusted upwards. Accordingly, it could increase to $1,800 per year, equivalent to $150 per month, after four years. This rebate would continue annually until the Fund balance reaches a fiscally responsible threshold that permits another update by the State Comptroller.[18]

Figure 17: *Option 1* Estimated Revenue, Mechanics, and Investments, 2027 to 2035

Fiscal Year	Homestead Exemption Rebate	Millionaires' Tax (3 Percent) Revenue	Total Property Tax Rebates	Illinois Property Tax Relief Fund Balance
2027	--	$1.86 billion	--	$1.86 billion
2028	**$1,200**	**$3.82 billion**	**$3.69 billion**	**$1.98 billion**
2029	**$1,500**	**$4.02 billion**	**$4.61 billion**	**$1.39 billion**
2030	**$1,500**	**$4.24 billion**	**$4.61 billion**	**$1.01 billion**
2031	$1,500	$4.47 billion	$4.61 billion	$863.9 million
2032	$1,500	$4.71 billion	$4.61 billion	$957.8 million
2033	$1,800	$4.96 billion	$5.54 billion	$382.9 million
2034	$1,800	$5.23 billion	$5.54 billion	$76.0 million
2035	$1,800	$5.51 billion	$5.54 billion	$51.6 million

Source(s): Authors' analysis of data obtained via open records requests to the Illinois Department of Revenue (IDOR, 2026a), adjusted to fiscal years 2027 through 2035 using annual growth rates in *Three-Year Budget Forecast: FY 2026 – FY 2028* by the Illinois Commission on Government Forecasting and Accountability (Varner, 2025) and adjusted for a research-high millionaire migration semi-elasticity of -0.28 (Young & Varner, 2011); and of General Homestead Exemptions in "Property Tax Statistics" by the Illinois Department of Revenue (IDOR, 2026b) for tax years 2021 through 2023. *Note: The analysis assumes that local units of government do not receive between 6 percent and 7 percent of the additional millionaires' tax revenue under the Local Government Distributive Fund (LGDF) allotment (IDOR, 2026c).

As a result, the millionaires' tax amendment would cut the average property tax bill by about 15 percent (Figure 18). With residential property tax levies forecasted to reach $27.6 billion next year, a $4.6 billion rebate when those bills are due would be equivalent to a 13 percent decrease in property taxes. By 2030, the rebate would reduce property taxes by 16 percent.

Not all residential properties would be eligible for rebates, however. Taxpayers would *only* receive the rebate if they own a home and it is their primary domicile. Among eligible homeowners, a $1,500 rebate would cut property tax bills by 20 percent on average (Figure 19). The average property tax bill would be reduced from $7,400 to $5,900 in 2030 (-20 percent). Furthermore, impacts would be largest for working families and middle-class taxpayers. Eligible taxpayers with net incomes of $100,000 or below would experience property tax cuts of between 24 percent and 29 percent, on average. Conversely, millionaires would see their property taxes reduced by 6 percent. The proposal would thus deliver tax relief to working families and middle-class homeowners and make Illinois' tax system less regressive.

[18] Under *Option 1*, nothing changes about how property taxes are levied. Each taxing body would be permitted to continue increasing their levies annually, and the rebate would simply show up as a separate line item on each tax bill for homeowners with general homestead exemptions. The rebate would thus reduce tax bills but not reduce total levies (i.e., it would not stem the growth in property taxes). However, rebate amounts could grow larger as revenue from the millionaires' tax increases, ensuring tax relief remains relatively consistent over time.

Figure 18: Average Residential Property Tax Cut from *Option 1*, 2027 to 2035

Tax Year	Fiscal Year	Homestead Exemption Rebate	All Residential Property Taxes (Forecast)	Total Property Tax Rebates	Average Property Tax Change (All Properties)
2026	2027	--	$26.80 billion	--	±0.0%
2027	**2028**	**$1,200**	**$27.60 billion**	**$3.69 billion**	**-13.4%**
2028	**2029**	**$1,500**	**$28.43 billion**	**$4.61 billion**	**-16.2%**
2029	**2030**	**$1,500**	**$29.28 billion**	**$4.61 billion**	**-15.8%**
2030	2031	$1,500	$30.16 billion	$4.61 billion	-15.3%
2031	2032	$1,500	$31.06 billion	$4.61 billion	-14.9%
2032	2033	$1,800	$32.00 billion	$5.54 billion	-17.3%
2033	2034	$1,800	$32.96 billion	$5.54 billion	-16.8%
2034	2035	$1,800	$33.94 billion	$5.54 billion	-16.3%

Source(s): Authors' analysis of data obtained via open records requests to the Illinois Department of Revenue (IDOR, 2026a), adjusted to fiscal years 2027 through 2035 using annual growth rates in *Three-Year Budget Forecast: FY 2026 – FY 2028* by the Illinois Commission on Government Forecasting and Accountability (Varner, 2025) and adjusted for a research-high millionaire migration semi-elasticity of -0.28 (Young & Varner, 2011); and of "Property Tax Statistics" by the Illinois Department of Revenue (IDOR, 2026b) for tax years 2021 through 2023. Property taxes are assumed to increase by 3 percent per year, consistent with expected rates of inflation (NY Fed, 2026).

Figure 19: Projected 2030 Property Tax Cuts for Homeowners with Homestead Exemptions, *Option 1*

Net Income Range	Expected Average Net Income	Before $1,500 Rebate		After $1,500 Rebate		
		Expected Property Taxes	Effective Tax Rate	Expected Property Taxes	Effective Tax Rate	Change in Property Tax Bill
$50,000 or Less	$21,809	$5,231	24.0%	$3,732	17.1%	**-28.7%**
$50,001-$100,000	$84,741	$6,249	7.4%	$4,749	5.6%	**-24.0%**
$100,001-$500,000	$217,113	$9,792	4.5%	$8,292	3.8%	**-15.3%**
$500,001-$1,000,000	$804,692	$18,207	2.3%	$16,707	2.1%	**-8.2%**
$1,000,001 or More	$4,559,212	$23,118	0.5%	$21,618	0.5%	**-6.5%**
Non-Illinois Totals*	$91,274	$8,484	9.3%	$6,984	7.7%	**-17.7%**
Total	**$98,864**	**$7,356**	**7.4%**	**$5,856**	**5.9%**	**-20.4%**

Source(s): Authors' analysis of data obtained via open records requests to the Illinois Department of Revenue (IDOR, 2026a), adjusted to tax year 2030 using recent annual growth rates "Financial Reports & Data – Revenue Source" for fiscal years 2021 through 2025 by the Illinois State Comptroller (Illinois Comptroller, 2026) and of "Property Tax Statistics" by the Illinois Department of Revenue (IDOR, 2026b) for tax years 2021 through 2023 adjusted for a 3 percent increase in property taxes per year, consistent with expected rates of inflation (NY Fed, 2026). *Note: Non-Illinois totals are for non-residents and tax returns with invalid zip codes. There are millionaire earners in this out-of-state group, and they are included in other Figures throughout this report.

Under this approach, Illinois would go from having the 8th-highest property tax bills in the country to the 14th-highest (Figure 20). If the $1,500 rebates had been in effect last year, the typical Illinois homeowner would have had lower property tax payments than California, Washington, Wisconsin, Texas, Maine, and Virginia. However, the effective property tax rate would have decreased from 2.1 percent of average home values to 1.6 percent. Illinois would have gone from the 2nd-highest property tax rate, behind only New Jersey (2.3 percent), to the 6th-highest, behind Connecticut (2.0 percent), New Hampshire (1.9 percent), Vermont (1.8 percent), and New York (1.6 percent) as well (Figure 20).

Figure 20: Property Tax Rankings from *Option 1*, Top 25 and Selected States – 2025 Equivalent

State	Average Home Value	Average Property Tax Rate	Average Property Tax	Property Tax Rate Rank	Property Tax Bill Rank
New Jersey	$555,465	2.3%	$12,942	1	1
New Hampshire	$493,517	1.9%	$9,327	4	2
Connecticut	$423,727	2.0%	$8,475	3	3
New York	$502,060	1.6%	$8,234	6	4
Massachusetts	$639,453	1.2%	$7,354	18	5
Vermont	$382,320	1.8%	$6,805	5	6
Rhode Island	$483,318	1.4%	$6,718	13	7
Illinois*	**$278,351**	**2.1%**	**$5,873**	**2**	**8**
California	$754,304	0.7%	$5,356	36	9
Washington	$587,696	0.9%	$5,172	24	10
Wisconsin	$318,766	1.6%	$5,068	8	11
Texas	$296,039	1.6%	$4,825	7	12
Maine	$400,020	1.2%	$4,680	16	13
Virginia	$401,707	0.8%	$4,673	33	14
Illinois (Option 1)	***$278,351***	***1.6%***	***$4,564***	**6**	***14***
Alaska	$375,626	1.2%	$4,357	17	15
Maryland	$421,988	1.0%	$4,304	21	16
Oregon	$490,100	0.9%	$4,215	25	17
Nebraska	$268,460	1.5%	$4,134	9	18
Pennsylvania	$277,535	1.4%	$3,913	12	19
Montana	$454,476	0.8%	$3,590	30	20
Minnesota	$337,686	1.1%	$3,546	20	21
South Dakota	$310,014	1.1%	$3,534	19	22
Michigan	$251,876	1.4%	$3,400	14	23
Ohio	$236,963	1.4%	$3,389	11	24
Iowa	$226,684	1.5%	$3,378	10	25
Florida	$372,356	0.8%	$3,053	28	28
Missouri	$255,937	0.9%	$2,329	23	36
Indiana	$248,414	0.8%	$1,913	31	42
Kentucky	$226,577	0.8%	$1,813	29	45

Source(s): Authors' analysis of Zillow Home Value Index data for November 2025 (Zillow, 2026). and effective 2024 property tax rates as determined by SmartAsset using data from the U.S. Census Bureau's *American Community Survey* (Odeniran, 2024). *Note that estimated average property taxes for Illinois in Figure 20 differ from those in Figures 9 (2023) and 19 (2030 estimates) because Figure 20 (2025 estimates) uses different sources and comprises all property taxpayers, including those without general homestead exemptions, retirees whose income is not subject to income taxes in Illinois, and others who do not file state income taxes. This is also why the *average* property tax is reduced by $1,309 and not $1,500.

Option 2: Fully Fund the Evidence-Based Funding Model and Invest in Education

The Illinois Constitution could be amended to create a 3 percent surtax on net income greater than $1 million and to require that the additional revenue be used solely to fund education. In 2014, three-fifths (60 percent) of Illinois voters indicated that they would support a millionaires' tax that provided revenue to local school districts (Ballotpedia, 2014).

Since that advisory referendum, Illinois enacted the Evidence-Based Funding (EBF) model in 2017 to reduce schools' overreliance on local property taxes and prioritize the distribution of new funding to less-resourced school districts with the most students in need. The Evidence-Based Funding model requires the State to increase pre-K through 12 education funding by at least $300 million per year, which is not adjusted for inflation. An additional $50 million is required for property tax relief through the Property Tax Relief Grant (PTRG) program, which is also not adjusted for inflation. Because payments have not kept pace with rising prices, the statewide "Adequacy Gap" remains at $3.1 billion in fiscal year 2027 (Gaberik & Martire, 2025; Hancock, 2026). At the current $300 million minimum annual payment, school districts will not be fully funded until fiscal year 2039—12 years after the statutorily required date (Gaberik & Martire, 2025).

This would raise $3.8 billion in revenue in fiscal year 2028 and $4.2 billion by fiscal year 2030 (Figure 21). The revenue would be used to close the "Adequacy Gap" and fully fund the Evidence-Based Funding model, at $3.2 billion. The remainder, at least $615 million, could be allocated on a per-capita basis to all public-school districts through Property Tax Relief Grants, ensuring that better-resourced schools also receive new funding. Alternatively, it could be used to provide tuition-free community college for residents graduating from Illinois high schools, which studies estimate would cost between $173 million and $972 million annually depending on the structure (Hu & Fernandez, 2024; Miller-Adams, Pittelko, & Timmeney, 2020).

Figure 21: *Option 2* Estimated Revenue, Mechanics, and Investments, 2027 to 2035

Fiscal Year	Millionaires' Tax (3 Percent) Revenue	Fully Fund Evidence-Based Funding Model	Remainder: Per-Capita Funding for School Districts
2027	$1.86 billion	--	$1.86 billion
2028	**$3.82 billion**	**$3.20 billion**	**$615.4 million**
2029	$4.02 billion	$3.40 billion	$621.4 million
2030	$4.24 billion	$3.60 billion	$638.6 million
2031	$4.47 billion	$3.80 billion	$667.5 million
2032	$4.71 billion	$4.00 billion	$708.7 million
2033	$4.96 billion	$4.20 billion	$763.0 million
2034	$5.23 billion	$4.40 billion	$831.0 million
2035	$5.51 billion	$4.60 billion	$931.5 million

Source(s): Authors' analysis of data obtained via open records requests to the Illinois Department of Revenue (IDOR, 2026a), adjusted to fiscal years 2027 through 2035 using annual growth rates in *Three-Year Budget Forecast: FY 2026 – FY 2028* by the Illinois Commission on Government Forecasting and Accountability (Varner, 2025) and adjusted for a research-high millionaire migration semi-elasticity of -0.28 (Young & Varner, 2011); and of revenue required to "fully fund" the Evidence-Based Funding model from the Center for Tax and Budget Accountability (Gaberik & Martire, 2025). *Note: The analysis assumes that local units of government do not receive between 6 percent and 7 percent of the additional millionaires' tax revenue under the Local Government Distributive Fund (LGDF) allotment (IDOR, 2026c).

Under this approach, Illinois would directly improve educational outcomes. Since its inception, the Evidence-Based Funding model has reduced the number of severely underfunded districts—those below 70 percent adequacy—from 459 (54 percent) to just 48 (6 percent), including 168 districts that were being funded at less than 60 percent of their adequacy target (Hancock, 2026). Between 2017 and 2024, annual State contributions to pre-K through 12 education increased by $2.9 billion, from $7.5 billion to $10.4 billion, largely due to the Evidence-Based Funding model (Figure 22). Over this time, the number of school districts in deficit spending fell from 409 to 227, a 45 percent decrease.[19] Meanwhile, class sizes fell from about 19 students per teacher to 17 students per teacher for both

[19] However, the number of districts in deficit spending has recently increased to 258 as of 2026.

elementary classrooms (a 9 percent decrease) and high school classrooms (an 11 percent decrease). As a result, the four-year high school graduation rate and the share of 9th graders on track to graduate both improved from 87 percent to 88 percent (Figure 22). Fully funding the Evidence-Based Funding model would help advance these gains.

Figure 22: Illinois' Education Metrics Before and After Evidence-Based Funding Model, 2017 to 2024

Pre-K through 12 Education Performance Outcomes in Illinois	Fiscal Year 2017	Fiscal Year 2024	2017 to 2024 Change
Pre-K through 12 education expenditures	$7.49 billion	$10.37 billion	**+38.4%**
Evidence-Based Funding model increase	$0	$2.50 billion	**--**
Number of districts in deficit spending	409	227	**-44.5%**
Percentage of districts in deficit spending	48.0%	26.7%	**-21.3%**
Pupil-teacher ratio for elementary schools	18.7	17.1	**-8.6%**
Pupil-teacher ratio for high schools	19.4	17.3	**-10.8%**
Four-year high school graduation rate	87.0%	87.7%	**+0.7%**
9th graders on track to graduate in 4 years	87.1%	88.2%	**+1.1%**
Districts at 90% Evidence-Based Funding adequacy	198*	326	**+64.6%**

Source(s): Authors' analysis of Illinois State Board of Education actual "Performance Measures by Program" and "General Funds Financial Walk Down" tables in the Illinois Office of Management and Budget's *Illinois State Budget: Fiscal Year 2026* (OMB, 2025), *Illinois State Budget: Fiscal Year 2023* (OMB, 2022), and *Illinois State Budget: Fiscal Year 2020* (OMB, 2019).

Despite billions of dollars spent on the Evidence-Based Funding model, property taxes have not stopped growing. State lawmakers have repeatedly sought ways to stem these increases while properly funding public schools. For example, Senate Bill 2779, introduced in 2026, would direct the Illinois Department of Revenue, in consultation with the Governor's Office of Management and Budget, to "conduct a study to determine the feasibility of phasing out the use of property taxes as a funding source for school districts and replacing that revenue with other State and local revenue streams" (ILGA, 2026c). Other bills and commissions have had similar goals (Manzo & Bruno, 2019). However, researchers have found that completely eliminating local property taxes as a source of funding for schools is unrealistic, could be harmful to student outcomes, and would introduce significant risk into the school finance ecosystem since property taxes are reliable, predictable, and less volatile as economic conditions change (Walczak, 2025; Manzo & Bruno, 2019). Hawaii represents the closest that any state has come to avoiding property taxes, with 1 percent of school funding coming from property taxes. Hawaii is an exception because it has the one of the most progressive individual income tax systems in the nation—with marginal tax rates ranging from 1.4 percent to 11 percent (Fritts & Loughead, 2026).[20] Hawaii demonstrates that the only way to reduce property tax growth is for the State to assume a larger portion of the total dollars spent on educating pre-K through 12 public school students.[21]

---

[20] According to Hawaii's Department of Taxation, "Hawaii has one of the highest income tax burdens of any state for all income levels" (Hawaii DOT, 2023).

[21] When the Evidence-Based Funding model was passed in fiscal year 2018, state-level funding covered 34 percent of pre-K through 12 education while local sources covered 57 percent (Gaberik & Martire, 2025). According to the National Center for Education Statistics, the State of Illinois' portion of school funding was only 35 percent for the 2021-2022 school year, and only six other states contributed a smaller percentage (USA Facts, 2026). By comparison, Kansas (65 percent), Minnesota (61 percent), Michigan (56 percent), and New Jersey (46 percent) were among states with higher contributions to education spending (USA Facts, 2026).

This proposal would indirectly stem the growth of local property taxes.[22] Fully funding the Evidence Based Funding model would shift responsibility for funding pre-K through 12 education away from local property taxes to the State. With school districts accounting for 62 percent of total property tax collections, this shift would provide meaningful relief on the typical property tax bill (Figure 12).

Option 3: Freeze School Property Taxes and Provide Additional Education Funding

The Illinois Constitution could be amended to create a 3 percent surtax on net income greater than $1 million and to require that the revenue be used for *both* property tax relief and education funding. Specifically, additional school funding from a surcharge on millionaires could allow the State to cover inflationary increases for public-school districts while investing more in pre-K through 12 education.

The Property Tax Extension Limitation Law (PTELL) currently limits property tax increases on existing properties to the rate of Consumer Price Index (CPI) inflation or 5 percent, whichever is lower (IDOR, 2025).[23] Lawmakers could reform PTELL to apply the formula to all school districts—including those in home rule jurisdictions—and cover the inflationary increases with revenue from the millionaires' tax. With inflation expected to rise by about 3 percent per year, PTELL is projected to permit schools to increase their property tax collections by between $600 million and $1 billion annually through 2037 (Figure 23).

Figure 23: *Option 3* Estimated Revenue, Mechanics, and Investments, 2027 to 2036

Tax Year	Fiscal Year	Total School Property Tax Collections	School PTELL Increase Over Previous Year	Percent PTELL Increase Over Previous Year
2026	2027	$25.28 billion	**+$664.7 million**	+2.7%
2027	2028	$26.04 billion	**+$758.5 million**	+3.0%
2028	2029	$26.82 billion	**+$781.2 million**	+3.0%
2029	2030	$27.63 billion	**+$804.6 million**	+3.0%
2030	2031	$28.46 billion	**+$828.8 million**	+3.0%
2031	2032	$29.31 billion	**+$853.7 million**	+3.0%
2032	2033	$30.19 billion	**+$879.3 million**	+3.0%
2033	2034	$31.09 billion	**+$905.6 million**	+3.0%
2034	2035	$32.03 billion	**+$932.8 million**	+3.0%
2035	2036	$32.99 billion	**+$960.8 million**	+3.0%

Source(s): Authors' analysis of data obtained via open records requests to the Illinois Department of Revenue (IDOR, 2026a), adjusted to fiscal years 2027 through 2036 using annual growth rates in *Three-Year Budget Forecast: FY 2026 – FY 2028* by the Illinois Commission on Government Forecasting and Accountability (Varner, 2025) and of property tax collections in "Property Tax Statistics" by the Illinois Department of Revenue (IDOR, 2026b) for tax years 2021 through 2023. Property taxes are assumed to increase by 3 percent per year, consistent with expected rates of inflation (NY Fed, 2026).

[22] *Option 2* would stem the growth in school property taxes by tilting the share of funding towards the State. Fully funding the EBF and adding new per-capita funding would enable, but not require, districts to raise their levies by less than the rate of inflation and propose fewer referenda to increase their tax rates, lowering taxes for all properties—including for homeowners without exemptions and commercial, industrial, farm, and other properties—relative to the status quo.

[23] Voters in taxing districts subject to PTELL may approve higher property tax increases above the annual PTELL cap via a referendum.

This would allow school districts to freeze their tax collections for eight years (Figure 24). First, the State would contribute between $700 million and $900 billion more every year to school districts from fiscal years 2027 through 2035. Funding would be allocated according to PTELL increases to all school districts, which would negate the need for school boards to incrementally raise local property taxes. Districts that choose to levy beyond the PTELL limit or that have major capital projects would still be required to go to voters for approval. The effect of increased State funding would enable school districts to keep their total tax levies constant during this period.[24]

Second, the State would add $50 million more per year in supplemental contributions to the Evidence-Based Funding model. This annual expansion would be in addition to the $300 million minimum amount from other State sources.[25] By bringing the overall annual payment to $350 million, this approach would ensure that schools are fully funded by fiscal year 2035 (Gaberik & Martire, 2025). Remaining funds would be deposited into the Illinois Property Tax Relief Fund and drawn down during years when the PTELL coverage amount plus the supplemental Evidence-Based Funding amount cumulatively exceed annual revenue generated by the millionaires' tax (Figure 24).

Figure 24: *Option 3* Estimated Revenue, Mechanics, and Investments, 2027 to 2036

Tax Year	Fiscal Year	Millionaires' Tax (3 Percent) Revenue	Funding to Cover PTELL Inflation	Supplemental Evidence-Based Funding	Remaining Fund Balance	Property Taxes (vs. Status Quo)
2026	2027	$1.86 billion	$700.0 million	$50.0 million	$1.11 billion	**-1.7%**
2027	2028	$3.82 billion	$1.40 billion	$100.0 million	$3.42 billion	**-3.2%**
2028	2029	$4.02 billion	$2.20 billion	$150.0 million	$5.09 billion	**-4.9%**
2029	2030	$4.24 billion	$3.00 billion	$200.0 million	$6.13 billion	**-6.5%**
2030	2031	$4.47 billion	$3.80 billion	$250.0 million	$6.55 billion	**-8.0%**
2031	2032	$4.71 billion	$4.70 billion	$300.0 million	$6.26 billion	**-9.6%**
2032	2033	$4.96 billion	$5.60 billion	$350.0 million	$5.27 billion	**-11.2%**
2033	2034	$5.23 billion	$6.50 billion	$400.0 million	$3.60 billion	**-12.6%**
2034	2035	$5.51 billion	$6.50 billion	$450.0 million	$2.17 billion	**-12.2%**
2035	2036	$5.81 billion	$6.50 billion	$500.0 million	$977.8 million	**-11.8%**

Source(s): Authors' analysis of data obtained via open records requests to the Illinois Department of Revenue (IDOR, 2026a), adjusted to fiscal years 2027 through 2036 using annual growth rates in *Three-Year Budget Forecast: FY 2026 – FY 2028* by the Illinois Commission on Government Forecasting and Accountability (Varner, 2025) and adjusted for a research-high millionaire migration semi-elasticity of -0.28 (Young & Varner, 2011); and of property tax collections in "Property Tax Statistics" by the Illinois Department of Revenue (IDOR, 2026b) for tax years 2021 through 2023. *Note: The analysis assumes that local units of government do not receive between 6 percent and 7 percent of the additional millionaires' tax revenue under the Local Government Distributive Fund (LGDF) allotment (IDOR, 2026c). Property taxes are assumed to increase by 3 percent per year, consistent with expected rates of inflation (NY Fed, 2026). Results are annual amounts. As an example, in fiscal year 2028, the State would be required to pay $1.4 billion for PTELL and $100 million to the EBF model. These represent respective $700 million and $50 million increases from the year prior. After those $1.4 billion and $100 million contributions, the State would have a cumulative $3.42 billion, which is drawn down in later years as the total PTELL and EBF amounts exceed annual revenue from the tax on net income over $1 million.

[24] All three options reduce property tax bills but offer different approaches. While *Option 1* does not change how taxes are levied, it does provide rebates that cut bills for qualified properties. *Option 2* also does not change how taxes are levied but encourages districts to keep levies low as the State achieves full funding, indirectly controlling tax growth. *Option 3*, on the other hand, delivers money directly to school districts and requires them to keep their levies constant for (an estimated) eight years, stabilizing school taxes for all properties and reducing them relative to the status quo.

[25] The $50 million per year required for Property Tax Relief Grants could be discontinued because the State would be covering all property tax increases under PTELL.

Under *Option 3*, property tax bills would be reduced by an average of 7 percent by 2030 and 12 percent in 10 years, relative to the status quo (Figure 24). While rebates like those in *Option 1* could exclusively apply to residential properties with general homestead exemptions, covering PTELL would stop property tax liabilities from growing over time for all properties that pay into school districts. As a result, in-state homeowners, out-of-state residents and institutional investors who own properties in Illinois, and commercial and industrial businesses would all benefit from the approach taken in *Option 3*.

Economic Impacts of the Three Options

Adopting a millionaires' tax could grow the Illinois economy by stimulating consumer demand and increasing public investments. Economic research has demonstrated that low-income and middle-class families spend larger shares of their incomes while high-earning individuals save more (Fisher et al., 2019; Carroll et al., 2017; Dynan, Skinner, & Zeldes, 2004). For example, if a worker earning $50,000 per year receives a $5,000 bonus, he or she is likely to spend that bonus back in the economy at local stores, restaurants, and car dealerships. A $5,000 bonus is less impactful for an executive making $5 million per year, who is more likely to put the bonus into savings. A millionaires' tax that delivers property tax relief for working families and middle-class households, who drive consumer spending, can thus grow the economy. Similarly, research shows that investments in education are the most effective public policy at improving state economies. A tax reform that directly funds education can boost employment, increase incomes, and expand economic activity (Althoff, 2025; Baker, 2018; Jackson, Johnson, & Persico, 2015; Stevens & Weale, 2004).

All three potential uses for a 3 percent millionaires' surtax would grow Illinois' economy by 2030 (Figure 25). *Option 1*, which delivers property tax rebates, would boost net economic activity by $1.6 billion and create 12,000 jobs, as increases in consumer demand from homeowners would exceed losses from millionaire households. This activity would also generate $96 million in additional state and local tax revenues. *Option 2*, which fully funds public schools, would boost net economic activity by $3.6 billion, save or create 25,000 jobs, and generate $87 million in additional state and local revenues. Investments in education would expand teacher, counselor, paraprofessional, and related employment at school districts and tend to have larger economic impacts than tax cuts. *Option 3*, which covers PTELL increases for eight years and fully funds schools in nine years, would add $1.0 billion on net to Illinois' gross domestic product (GDP), increase employment by 7,000 jobs, and yield $32 million in additional state and local tax revenues in 2030.

Figure 25: Economic Impacts of a 3 Percent Millionaires Tax with Three Lockbox Options, 2030

Economic Impacts of a 3 Percent Millionaires' Tax in Illinois	*Option 1*: $1,500 Property Tax Rebates	*Option 2*: Fully Fund EBF and Invest More	*Option 3*: Cover PTELL and Add More to EBF
Value Added (GDP)	+$1.58 billion	+$3.64 billion	+$1.04 billion
Total Employment	+11,600 jobs	+25,300 jobs	+7,000 jobs
State Tax Revenue	+$95.5 million	+$87.3 million	+$32.1 million

Source(s): Authors' IMPLAN analysis (IMPLAN, 2026) using data obtained via open records requests to the Illinois Department of Revenue (IDOR, 2026a), adjusted to calendar year (tax year) 2030 using annual growth rates in *Three-Year Budget Forecast: FY 2026 – FY 2028* by the Illinois Commission on Government Forecasting and Accountability (Varner, 2025) and adjusted for a research-high millionaire migration semi-elasticity of -0.28 (Young & Varner, 2011); data on General Homestead Exemptions in "Property Tax Statistics" by the Illinois Department of Revenue (IDOR, 2026b) for tax years 2021 through 2023; and information on the revenue required to "fully fund" the Evidence-Based Funding model from the Center for Tax and Budget Accountability (Gaberik & Martire, 2025).

Conclusion and Policy Considerations

If voters were to approve a millionaires' tax amendment to the Illinois Constitution, the economic, fiscal, and taxpayer impacts could be significant (Figure 26). A 3 percent surtax on net income over $1 million would generate over $4 billion annually, which could allow the State to reduce property taxes on primary residences by 20 percent, fully fund all pre-K through 12 school districts, or deliver an education funding ramp that freezes school property taxes for eight years. Although a handful of millionaire earners may consider relocating to other states, those losses would be more than offset by increases in consumer spending or staffing at public schools, leading to a net gain of up to 25,000 jobs and as much as a $4 billion expansion in gross domestic product (Figure 26).

Figure 26: Summary Impacts of a 3 Percent Millionaires Tax with Three Lockbox Options, 2030

Economic Impacts of a 3 Percent Millionaires' Tax in Illinois	*Option 1*: $1,500 Property Tax Rebates	*Option 2*: Fully Fund EBF and Invest More	*Option 3*: Cover PTELL and Add More to EBF
Fiscal Impacts			
Revenue Generated (FY2030)	$4.24 billion	$4.24 billion	$4.24 billion
Taxpayer Impacts (FY2030)			
Property Tax Rebate	$1,500	$0	$0
Total Property Tax Relief	$4.62 billion	$638.6 million	$3.00 billion
Property Tax Cut (All Residences)	-15.8%	-1.4%	-6.5%
Property Tax Cut (Qualified)	-20.4%	-1.4%	-6.5%
Education Impacts (FY2030)			
Total Education Funding	$0	$3.60 billion	$200 million
Adequacy Gap	$2.15 billion	$0	$1.41 billion
Evidence-Based Funding Met	2039	2028	2035
Economic Impacts (2030)			
Value Added (GDP)	+$1.58 billion	+$3.64 billion	+$1.04 billion
Employment (Jobs)	+11,600 jobs	+25,300 jobs	+7,000 jobs
State Tax Revenue	+$95.5 million	+$87.3 million	+$32.1 million

Source(s): Authors' summary of Figures 14, 15, 17, 18,19, 21, 24, and 25 in this report.

State lawmakers could consider amending the Property Tax Extension Limitation Law (PTELL). PTELL only applies to non-home rule units of local government in 39 of Illinois' 102 counties, either by state law or local referendum (IDOR, 2016). Lawmakers could reform PTELL to restrict the rate of property tax growth to inflation or 3 percent, whichever is lower, and apply the formula to all units of local government—including home rule jurisdictions. This would slow the growth of property taxes. This policy change, however, is most feasible when paired with *Option 2* or *Option 3*, after schools across Illinois are funded with adequate State resources.

Ultimately, passing a constitutional amendment to enact a millionaires' tax would combat the skewed state and local tax system in Illinois. If the additional revenue is constitutionally lock-boxed, then the policy change would deliver tax relief to working and middle-class families and enable the State to invest in high-quality education for all children. As a result, implementing a millionaires' tax would boost consumer demand, create thousands of jobs, and grow Illinois' economy.

Sources

Adam, Jamela. (2025). "Mamdani Vs. Millionaires: A Tax Move That Could Reshape New York's Elite." *Yahoo! Finance*.

Aleman, Erin, Joe Ferguson, Ralph Martire, and Josh Weger. (2025). *Modernizing Illinois' Sales Tax: A Pathway to a Sustainable Future*. Chicago Metropolitan Agency for Planning; The Civic Federation; Center for Tax and Budget Accountability; Illinois Economic Policy Institute.

Althoff, Lukas. (2025). *America's Got Talent: The Case for Investing in Public Education*. Stanford University.

Badger, Emily, David Fahrenthold, Alicia Parlapiano, and Margot Sanger-Katz. (2025). "How Did DOGE Disrupt So Much While Saving So Little?" *The New York Times*.

Baker, Bruce. (2018). *How Money Matters for Schools*. Learning Policy Institute.

Ballotpedia. (2024). "Illinois Income Tax Advisory Question (2024)."

Ballotpedia. (2022). "Massachusetts Question 1, Tax on Income Above $1 Million for Education and Transportation Amendment (2022)."

Ballotpedia. (2020). "Illinois Allow for Graduated Income Tax Amendment (2020)."

Ballotpedia. (2016). "California Proposition 55, Extension of the Proposition 30 Income Tax Increase (2016)."

Ballotpedia. (2014). "Illinois Millionaire Tax Increase for Education Question (2014)."

Ballotpedia. (2012). "California Proposition 30, Sales and Income Tax Increase Initiative (2012)."

Bellisle, Dylan, Allison Flanagan, Ralph Martire, and Robert Bruno (2023). University of Illinois at Urbana-Champaign; Center for Tax and Budget Accountability.

Baxandall, Phineas. (2018). *What Has Happened in Other States with High Tax Rates on Million-Dollar Incomes?* Massachusetts Budget and Policy Center.

Bureau of Economic Analysis (BEA). (2026). "Regional Data: GDP and Personal Income." U.S. Department of Commerce.

Bureau of Labor Statistics (BLS). (2026). "CPI Inflation Calculator." U.S. Department of Labor.

Burke, William and David Tuerck. (2021). *The Economic and Fiscal Effects of a Proposed Millionaires' Tax in Massachusetts*. The Beacon Hill Institute.

California Franchise Tax Board. (2024). "B-4A, Adjusted Gross Income Class Comparison, All Filing Statuses." State of California.

Carroll, Christopher, Jiri Slacalek, Kiichi Tokuoka, and Matthew White. (2017). "The Distribution of Wealth and the Marginal Propensity to Consume." *Quantitative Economics*, 8(3): 977–1020.

Chicago Metropolitan Agency for Planning (CMAP). (2023). *PART: Plan of Action for Regional Transit – C3: Overview of Key Sales Tax Recommendations*.

Chicago Tribune Editorial Board. (2022). "Editorial: The Great Ken Griffin Exit and What It Does and Does Not Portend." *Chicago Tribune*.

Davis, Carl, Andrew Boardman, Neva Butkus, Eli Byerly-Duke, Kamolika Da, Aidan Davis, Michael Ettlinger, Erika Frankel, Dylan Grundman O'Neill, Matthew Gardner, Marco Guzman, Amy Hanauer, Mike Hegeman, Galen Hendricks, Spandan Marasini, Matt Salomon, Brakeyshia

Samms, Emma Sifre, Miles Trinidad, Alex Welch, and Jon Whiten. (2024). *Who Pays? A Distributional Analysis of the Tax Systems in All 50 States – Seventh Edition*. Institute on Taxation and Economic Policy.

Dynan, Karen E., Johnathan Skinner, and Stephen P. Zeldes. (2004). "Do the Rich Save More?" *Journal of Political Economy*. 112(2). Federal Reserve Board; Dartmouth College; Columbia University.

Federal Reserve Economic Data (FRED). (2026). "S&P 500." Federal Reserve Bank of St. Louis.

Fisher, Jonathan, David Johnson, Timothy Smeeding, and Jeffrey Thompson (2019). *Estimating the Marginal Propensity to Consume Using the Distributions of Income, Consumption, and Wealth*. Federal Reserve Bank of Boston.

Flood, Sarah, Miriam King, Renae Rodgers, Steven Ruggles, J. Robert Warren, Daniel Backman, Etienne Breton, Grace Cooper, Julia Rivera Drew, Stephanie Richards, David Van Riper, and Kari Williams (2025). IPUMS CPS: Version 13.0 [dataset]. Minneapolis, MN: IPUMS. https://doi.org/10.18128/D030.V13.0.

Fritts, Janelle and Katherine Loughead. (2026). "State Individual Income Tax Rates and Brackets, 2026." Tax Foundation.

Gaberik, Elane and Ralph Martire. (2025). *Fully Funding the Evidence-Based Formula: FY 2026 Enacted General Fund Budget*. Center for Tax and Budget Accountability.

Giangiulio, Davis. (2024). "After 10 Years, Will Illinois Implement a Millionaires' Tax?" *Chicago Sun-Times*.

Goldstein-Street, Jake. (2025). "Ferguson Backs Income Tax on WA Residents Earning Over $1M." *Washington State Standard*.

Gould, Elise, Josh Bivens, and Jori Kandra. (2025). "CEO Pay Increased in 2024 and Is Now 281 Times That of the Typical Worker." Economic Policy Institute.

Gould, Elise and Jori Kandra. (2024). "Wage Inequality Fell in 2023 Amid a Strong Labor Market, Bucking Long-Term Trends." Economic Policy Institute.

Hancock, Peter. (2026). "State Education Board Oks $10.9B Budget Request." *Capitol News Illinois*

Hawaii Department of Taxation (DOT). (2023). "Comparing Hawaii's Income Tax Burden to Other States." State of Hawaii.

Hu, Xiaodan and Frank Fernandez. (2024). *Advancing Adequacy-Based Funding for Community Colleges in Illinois*. Partnership for College Completion; University of Florida; Northern Illinois University.

Hubbard, Rob. (2025). "DFL Bill Proposes New Tax Tier for State's Wealthiest to Offset Potential Federal Cuts." Minnesota House of Representatives.

Husak, Corey. (2025). "7 Ways the Big Beautiful Bill Cuts Taxes for the Rich." Center for American Progress.

Illinois Comptroller. (2026). "Financial Reports & Data – Revenue Source." State of Illinois.

Illinois Department of Revenue (IDOR). (2026). (a). "Freedom of Information." State of Illinois.

Illinois Department of Revenue (IDOR). (2026). (b). "Property Tax Statistics." State of Illinois.

Illinois Department of Revenue (IDOR). (2026). (c). "Income Tax Distributions to Local Governments." State of Illinois.

Illinois Department of Revenue (IDOR). (2026). (d). "Property Tax Relief - Homestead Exemptions, PTELL, and Senior Citizens Real Estate Tax Deferral Program." State of Illinois.

Illinois Department of Revenue (IDOR). (2025). "An Overview of the Property Tax Extension Limitation Law by Referendum." State of Illinois.

Illinois Department of Revenue (IDOR). (2016). *History of PTELL: January 2016*. State of Illinois.

IL Revenue Alliance. (2025). *Equitable Revenue Policies Illinois Families Need to Thrive (HJR18 & SJR22)*. Illinois Revenue Alliance.

Illinois General Assembly (ILGA). (2026). (a). *Constitution of the State of Illinois*. State of Illinois.

Illinois General Assembly (ILGA) (2026). (b). "Finance (30 ILCS 105/) State Finance Act." State of Illinois.

Illinois General Assembly (ILGA) (2026). (c). "Bill Status of SB2779." State of Illinois.

Illinois State Board of Education. (ISBE). (2026). "Downloadable Vote Totals." State of Illinois.

IMPLAN. (2026). IMPLAN System (Data and Software). www.IMPLAN.com.

Internal Revenue Service (IRS). (2025). "SOI Tax Stats – Historic Table 2." U.S. Department of the Treasury.

Jackson, C. Kirabo; Rucker Johnson; and Claudia Persico. (2015). *The Effects of School Spending on Educational and Economic Outcomes: Evidence from School Finance Reforms*. National Bureau of Economic Research; Northwestern University; University of California, Berkeley.

Lavin, Nancy. (2025). "Millionaire's Tax Proposal Is Getting a Warm Reception from New R.I. Senate Leadership." *Rhode Island Current*.

Lewis, Jason and James O'Day. (2025). "Fair Share Amendment Is Working As Intended." *CommonWealth Beacon*.

Macias, Amanda. (2025). "Billionaire Ken Griffin Says Citadel's Chicago Exodus Was 'Not Hard,' Cites Crime, Taxes." *Fox Business*.

Manzo IV, Frank and Robert Bruno. (2025). *You Can't Buy What You Can't Afford: Illinois' Housing Shortage and Ways to Fix It*. Illinois Economic Policy Institute; University of Illinois at Urbana-Champaign.

Manzo IV, Frank and Robert Bruno. (2023). (a). *How the Workers' Rights Amendment Passed in Illinois: A Political Analysis*. Illinois Economic Policy Institute; University of Illinois at Urbana-Champaign.

Manzo IV, Frank and Robert Bruno. (2023). (b). *A Decade of Illinois' Migration Patterns: Providing Demographic, Geographic, and Socioeconomic Context*. Illinois Economic Policy Institute; University of Illinois at Urbana-Champaign.

Manzo IV, Frank and Robert Bruno. (2019). *Assessing Potential Options to Provide Property Tax Relief in Illinois*. Illinois Economic Policy Institute; University of Illinois at Urbana-Champaign.

MassBudget. (2026). "Fair Share Amendment." Massachusetts Budget and Policy Center.

Mazerov, Michael. (2023). "State Taxes Have a Minimal Impact on People's Interstate Moves." Center on Budget and Policy Priorities.

Micek, John. (2025). "'Millionaire's Tax' Cash Flooded the State's Coffers Last Year. Here's How That Happened." *MassLive*.

Miller, Violet, Kade Heather, and Sophie Sherry. (2026). "Chicago Records Fewest Killings Since 1965, Despite Trump's Campaign Against City." *Chicago Sun-Times*.

Miller-Adams, Michelle, Brian Pittelko, and Bridget Timmeney. (2020). *Estimated Cost of Tuition-Free College in Illinois*. W.E. Upjohn Institute for Employment Research.

Moore, Brenden. (2026). "Despite Mounting Budget Pressure, Graduated Income Tax Remains Political Longshot." *Capitol News Illinois*.

NY Fed. (2026). "Labor Market Expectations Deteriorate as Job Finding Expectations Reach Series Low." Federal Reserve Bank of New York.

O'Malley, Ally. (2024). *2024 Illinois' National Rankings: A State-by-State Comparison of Tax Rates, Tax Revenues, Government Spending, and Employment Trends*. Illinois Commission on Government Forecasting and Accountability.

Odeniran, Wola. (2024). "States With the Lowest Property Taxes in 2025." SmartAsset.

Office of Management and Budget (OMB). (2025). *Illinois State Budget: Fiscal Year 2026*. State of Illinois.

Office of Management and Budget (OMB). (2022). *Illinois State Budget: Fiscal Year 2023*. State of Illinois.

Office of Management and Budget (OMB) (2019). *Illinois State Budget: Fiscal Year 2020*. State of Illinois.

Phaneuf, Keith. (2025). "CT Senate Leaders Offer New Plan to Tax Rich to Mitigate Federal Cuts." *CT Mirror*.

Qin, Amy and Araceli Gomez-Aldana. (2025). "City Leaders Push Back After DHS Takes Credit for Chicago's Crime Drop." *Chicago Sun-Times*.

Rauh, Joshua and Ryan Shyu. (2022). "Behavioral Responses to State Income Taxation of High Earners: Evidence from California." Stanford University; Amazon.com, Inc.

Ryan, Greg. (2025). "Millionaire Tax That Inspired Mamdani Fuels $5.7 Billion Haul in Massachusetts." *Fortune*.

Solomon, Richard. (2025). "Do Millionaire Surtaxes Lead to Millionaire Exodus?" People's Policy Project.

Stevens, Philip and Martin Weale. (2004). "Education and Economic Growth." *International Handbook on the Economics of Education*, Chapter 4.

Szalinski, Ben. (2025). "Pritzker Tax Summaries Show More than $10M in 2024 Income – Not Including Trusts." *Capitol News Illinois*.

Tax Policy Center (TPC). (2025). "Distributional Effects of the Tax Provisions in the 2025 Budget Reconciliation Act."

Toussaint, Kristin. (2026). "Washington State Has No Income Tax. It Just Passed One for Millionaires that Could Be a Model for Other States." *Fast Company*.

USA Facts. (2026). "How Are Public Schools in the U.S. Funded?"

Varner, Ben. (2025). *Three-Year Budget Forecast: FY 2026 – FY 2028*. Illinois Commission on Government Forecasting and Accountability.

Varner, Charles, Cristobal Young, and Allen Prohofsky. (2018). "Millionaire Migration in California: Administrative Data for Three Waves of Tax Reform." Stanford University; California Franchise Tax Board.

Walczak, Jared. (2025). "There's No Good Way to Pay for Property Tax Repeal." Tax Foundation.

Wall, Craig. (2026). "Illinois House Speaker Pushing for New Millionaire Tax with Looming $2.2B Budget Deficit." *ABC7 Chicago*.

Wamhoff, Steve, Carl Davis, Joe Hughes, and Jessica Vela. (2025). *Analysis of Tax Provisions in the Trump Megabill as Signed into Law: National and State Level Estimates*. Institute on Taxation and Economic Policy.

Washington Governor. (2025). "Governor Ferguson Announces Support for Millionaire's Tax." State of Washington.

Wise, Kurt. (2024). "Data Do Not Show Massachusetts Facing a Crisis of Outmigration." Massachusetts Budget and Policy Center.

Young, Cristobal and Ithai Lurie. (2022). "Taxing the Rich: How Incentives and Embeddedness Shape Millionaire Tax Flight." *American Journal of Sociology*, 131(2): 371–407.

Young, Cristobal and Charles Varner. (2011). "Millionaire Migration and State Taxation of Top Incomes: Evidence from a Natural Experiment." *National Tax Journal*, 64(2): 255–284.

Young, Cristobal, Charles Varner, Ithai Lurie, and Richard Prisianzano. (2016). "Millionaire Migration and Taxation of the Elite: Evidence from Administrative Data." *American Sociological Review*, 81(3): 421–446.

Zillow. (2026). "Housing Data."

Cover Photo Credits

AzamatNeovedimov. (Accessed January 2026). "Untitled." *Canva Pro Subscription*. *Photo from Pixabay.*

RDNE Stock Project. (Accessed January 2026). "A Teacher and a Girl Doing a High Five." *Canva Pro Subscription*. *Photo from Pexels*.

TrueCreatives (Accessed January 2026). "Residential Street View of Suburban Neighborhood." *Canva Pro Subscription*.