



SMALL  
BUSINESS  
ADVOCACY  
COUNCIL

# SBAC AGENDA 2024

Representing the Small Business  
Community in Illinois

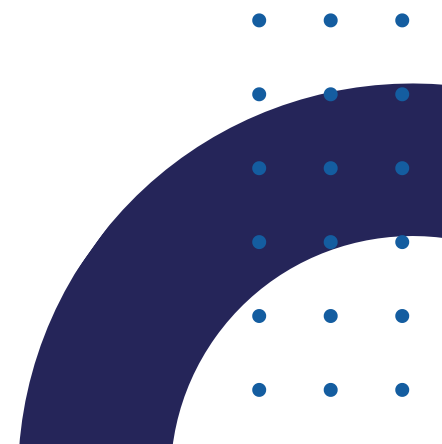
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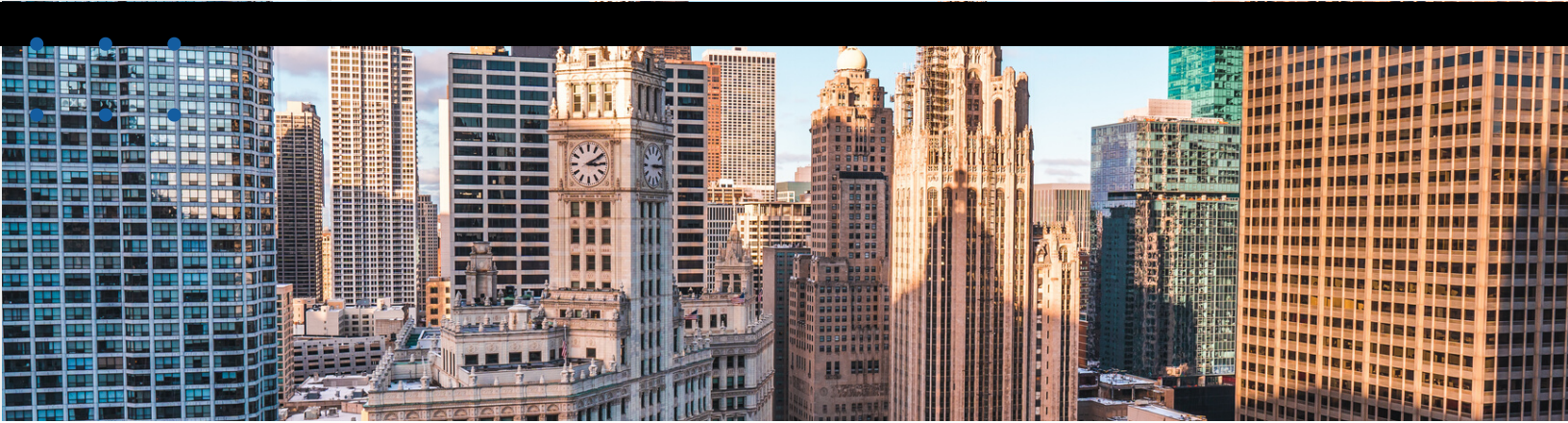
April 2024



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# THE SMALL BUSINESS ADVOCACY COUNCIL SUMMARY



## Mission

The SBAC is a non-partisan, policy-driven organization that promotes the success of small businesses through advocacy, the facilitation of meaningful business connections and educational programming. We are laser-focused on formulating and fighting to pass policies that support small businesses and local communities.

## What We Believe

- Small businesses drive our economy and support local communities.
- The small business community must have a powerful and unified voice to foster the growth of small businesses and create vibrant neighborhood business districts.
- Through cooperative networking, idea sharing and education, small businesses can flourish.

## Why We're Here Today

We are here to ask policymakers to support the small business community and the policies we will talk about today. The next few weeks will be crucial to moving these policy initiatives forward. The small business community has an oversized voice when we work together. Let's make it happen!

# SB 2656 & HB 4430

## Small Business Property Tax Relief Act

Inflation, high-interest rates, and a workforce shortage have taken their toll on many small businesses. Property taxes are also hurting Illinois businesses. Policymakers can support the small business community by passing legislation that provides property tax relief to the small businesses that drive our economy.

### THE LEGISLATION

The Small Business Property Tax Relief Act will provide a \$1500.00 tax credit to small businesses to offset the rising costs of property taxes.

Eligible small businesses must:

- Be registered and operate within the state of Illinois.
- Have 50 or fewer employees.
- Own or lease property in Illinois that is subject to property taxes. Home offices do not qualify for this tax credit.
- Comply with all state tax obligations, which encompass income, sales, and employment taxes.

### TAX CREDIT FOR SMALL BUSINESSES

Small businesses can receive a tax credit up to 10% of their annual property tax payments, capped at \$1500.00. Tax credits are awarded based on the date the appropriate paperwork is submitted. A total of \$50,000,000.00 has been allocated for this program, which will span over five years. Stakeholders will prioritize disseminating information about this tax credit program in disinvested communities.

### WHY THIS LEGISLATION IS IMPORTANT

Small businesses drive our economy, create jobs, and support local communities. With incentive programs and tax credits so often focused on large corporations, this tax credit will help small businesses navigate these challenging economic times and position them for future success.

# SB 2791 & HB 4571

## ECONOMIC INCENTIVES FOR SMALL BUSINESSES

Small businesses drive our economy and support local communities. Accordingly, Illinois policymakers should allocate a fair share of economic incentives to the small business community. Applying for these incentives should not require small businesses to spend an unreasonable amount of time or resources. So long as Illinois uses economic incentives to foster the growth of our economy, small businesses should receive a fair share of these opportunities. The SBAC is advocating for legislation that will ensure this happens.

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### 50% OF ALL ECONOMIC INCENTIVES

#### Access to Incentives

This legislation mandates that businesses with 50 or fewer employees receive 50% of the economic incentives awarded by the state.



#### Transparency

The legislation requires the agencies that award economic incentives to disclose whether they have allocated a fair share of economic incentives to small businesses.

### COLLABORATE WITH POLICYMAKERS

#### Collaboration

The SBAC will collaborate with policymakers to formulate and implement programs focused on providing incentives to businesses with 50 or fewer employees.

Large and small businesses play a pivotal role in the Illinois economy. Passing this bill will ensure that along with providing resources to larger companies, small businesses also have access to economic incentives. Supporting small and local businesses will improve the business climate in Illinois, create jobs and strengthen our economy.

# SB 3108 & HB 4472

## MAKE HEALTH INSURANCE MORE AFFORDABLE BY CONTROLLING THE COST OF PRESCRIPTION DRUGS

Small businesses struggle to afford quality health insurance. Indeed, the high cost of health insurance drains the cash reserves of small businesses and makes it difficult for them to recruit and retain employees. Excessive drug prices deeply impact the cost of premiums for small businesses. The rising cost of health insurance is unsustainable, and establishing a Prescription Drug Affordability Board is one way to tackle this issue and reduce premiums for small employers.

### SET UPPER PAYMENT LIMITS

#### Attacking the High Cost of Certain Drugs

This legislation will establish a Prescription Drug Affordability Board, an independent body with the authority to evaluate excessively high-cost drugs and set Upper payment Limits (UPLs) that apply to the entire supply chain.



#### Targeted Approach

The Prescription Drug Affordability Board will focus only on unreasonably priced drugs that drive up the costs of health insurance.



#### Collaboration and Expertise

The legislation creates a stakeholder council that includes people with experience in pharmaceutical business models, expertise in supply chains, as well as professionals with clinical training. This board will provide the public with a voice on drug prices and the opportunity to be heard on issues addressed by Prescription Drug Affordability Boards.

### AFFORDABLE COVERAGE FOR SMALL BUSINESSES

#### More Affordable Coverage

The Prescription Drug Affordability Board can reduce the cost of quality health insurance coverage for small businesses.

Prescription Drug Affordability Boards can reduce the cost of health insurance for small businesses and their employees. Please ask your legislators to sponsor and support Senate Bill 3108 and House Bill 4472!

# HB 3418

## THE SAFER COMMUNITIES & SMALL BUSINESS ACT

Illinois businesses are struggling to hire employees to support their operations. Formerly incarcerated citizens often struggle to find employment, contributing to high recidivism rates.

Providing wage subsidies for businesses that hire formerly incarcerated individuals, and an increased tax credit for small businesses that hire returning citizens, will support small businesses struggling to hire employees, foster opportunities for formerly incarcerated individuals, improve public safety, and reduce the costs of incarceration. House Bill 3418 provides the framework for this impactful program.

### RELIEF FOR SMALL BUSINESSES

#### SMALL BUSINESS RELIEF

HB 3418 provides wage subsidies and a meaningful tax credit to small businesses that hire formerly incarcerated individuals. Businesses of all sizes are eligible for wage subsidies to maximize the number of returning citizens entering the workforce.



#### PUBLIC SAFETY

When individuals returning from incarceration become stably employed, their risk of recidivism drops by 62%. This legislation will reduce crime and improve public safety.

### IMPROVE ILLINOIS ECONOMY

#### ILLINOIS ECONOMY

HB3418 will reduce reincarceration costs and increase revenue for the state through the income and sales taxes paid by returning citizens. This will foster long-term economic growth for the state.

HB 3418 passed the House and remains in the Senate. Let's build bridges between businesses and formerly incarcerated people by passing this legislation in 2024!

# HB 4485

## SMALL BUSINESS JOB CREATION TAX CREDIT

The Small Business Job Creation Tax Credit, established in 2010 in response to the 2008 recession, aimed to encourage small business owners to generate employment opportunities. Applicable to businesses with fewer than 50 employees and those participating in Governor Quinn’s “Put Illinois to Work” program, the credit provided \$2,500 per new job. However, the credit lapsed in July 2016 and has not been renewed.

Requirements to qualify for the tax credit:

- Business has no more than 50 full-time employees
- Increase net employees and maintain that increase over a 12-month period, starting from the date of hire
- The new job created must pay a basic wage for at least 35 hours per week

Small businesses drive the Illinois economy, and sustaining their growth is crucial. Programs supporting these employers can ensure robust job growth. The Small Business Job Creation Tax Credit Act, at \$2,500 per net gain employee, proves more financially beneficial for Illinois and taxpayers than many other credits. For instance, a small firm hiring at \$40,000 generates an estimated \$1,800 in income taxes in the first year alone, reducing the state's initial loss to just \$700. With the average tenure of an employee being 4.1 years, the state stands to collect \$7,712 in income tax over the long term from a modest \$2,500 investment. This projection excludes potential increases in other taxes due to disposable income.

Salary Projections	Estimated State Taxes Collected Effective Tax Rate (single filer)	Est. Income Tax Collected on Avg. Employee Tenure (4.1 yrs.)
\$30,000	\$1,386	\$5,682.60
\$35,000	\$1,634	\$6,699.40
\$40,000	\$1,881	\$7,712.10
\$45,000	\$2,129	\$8,728.90
\$50,000	\$2,376	\$9,741.60
\$55,000	\$2,624	\$10,758.40
\$60,000	\$2,871	\$11,771.10
\$65,000	\$3,119	\$12,787.90

By reinstating the Illinois Small Business Job Creation Act, Illinois can create up to 20,000 new jobs for our residents. The SBAC supports efforts to bring back this important program for the small business community.

If you have any questions, please contact the SBAC at [emma@sbacil.org](mailto:emma@sbacil.org).



# SBAC in the News

Initiative	Date	Media
Time for politicians to tackle property taxes	9/17/2023	
HB3418	11/23/2022	
Legislation to support small businesses and formerly incarcerated individuals and improve public safety in Illinois	10/20/2022	
Voice of Change: New Illinois legislation would help people find jobs after prison	9/21/2022	
To Reduce Labor Shortages, Chicago Tries to Ease the Path from Prison into Jobs	9/12/2022	
Our Chicago: Former IL inmates getting help staying out of jail and on the job	8/28/2022	
Why the Safer Communities & Small Business Act (HB3418) provides a solution to improve public safety	8/9/2022	
The Safer Communities & Small Business Act would provide support for Illinois small businesses and formerly incarcerated people	8/4/2022	

# Contact Information



 **Contribute**



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# THANK YOU!

Thank you for being an active voice for the SBAC and the small business community in Illinois. We appreciate your support as we are stronger together.

