



phone 312-376-1766
 fax 312-376-1760
 web latinopolicyforum.org
 20 E. Jackson Blvd., Suite 1550
 Chicago, IL 60604

IMPACT OF PROPOSED TAX REFORM ON LATINO FAMILIES IN ILLINOIS

The proposed individual income tax rate increase, from 3% to 4.5%, paired with tripling the personal exemption to \$6,000 per person means that a family of four with an income of \$60,900 will pay approximately the same amount in state income taxes as they do under the current tax formula; similar families earning less than \$60,900 will pay less than they currently do.

With 63.8% of Latino families earning less than \$60,000 and an average family size of 4.04, a majority of Latino families will probably pay the same or fewer taxes under the proposed rate increase.

Family Income

	Illinois		Chicago	
	All Families	Latino Families	All Families	Latino Families
# of families earning less than \$60,000	1,432,916	248,263	335,223	109,188
# of families earning \$60,000 or more	1,722,454	140,684	252,145	50,862
# of families earning \$100,000 or more	853,646	46,240	123,562	16,682
% earning less than \$60,000	45.4%	63.8%	57.1%	68.2%
% earning \$60,000 or more	54.6%	36.2%	42.9%	31.8%
% earning \$100,000 or more	27.1%	11.9%	21.0%	10.4%
Average Family Size	3.27	4.04	3.54	4.15

Source: American Community Survey 2005-2007 estimates