



## **Joliet Region Chamber of Commerce & Industry State Legislative Agenda 2025**

The Joliet Region Chamber of Commerce & Industry was incorporated in 1914 to serve as the collective voice force initiating action for the betterment of the entire community. The Mission of the Chamber today reflects these same goals: “to advance the interests of business, professional and service organizations in the Joliet Region, acting as their voice in governmental and social affairs, communicating and servicing their needs, and thereby enhancing the business environment and the local quality of life.”

Small businesses are the backbone of local economies across Illinois, creating jobs, delivering essential services, and fostering opportunities. When Main Street thrives, so does the entire state.

With more than 1.6 million Illinoisans employed by small businesses, their impact is undeniable. According to U.S. Census Bureau data, 64% of businesses in the state have fewer than five employees, while 88% operate with fewer than 20.

Beyond economic contributions, small businesses are deeply embedded in their communities, driving local growth and strengthening neighborhood connections.

Small business owners, deeply invested in their communities, take significant risks to operate and grow their businesses. They commit their time, capital, and reputations—working tirelessly to secure the next sale, land new contracts, and develop innovative products.

However, rising costs from inflation, excessive regulations, and high taxes make it increasingly difficult to sustain and expand small businesses. To unlock the full potential of Illinois' entrepreneurs and Main Street businesses, the state must adopt policies that eliminate barriers and foster a pro-growth environment.

We eagerly anticipate receiving final budget proposals and figures. As this session moves forward, we remain committed to addressing the following priorities and are open to further discussions on these matters. Please don't hesitate to reach out to us with any inquiries or input you may have.

### We support the following:

- **Yearly Allocation of DCEO Funds for Small Business** – Expansion of EDGE Tax Credits, R&D Tax Credit, and others such as HB 1372 & SB 2005 (Small Business Economic Incentive Act) which aims to allocate 50% of state economic incentives to Illinois businesses with 50 or fewer employees
- **Small Business Job Creation Tax Credit HB 1819 & SB 1505** - Amends the Small Business Job Creation Tax Credit Act which was established in 2010 in response to the '08 recession. This act incentive small business owners to create jobs by offering \$2,500 per new job for businesses with fewer than 50 employees. The credit lapsed in July 2016 and would be a tremendous tool for fueling Illinois' economy. Illinois ranked third in unemployment as of October 2024, with a 5.3% unemployment rate—only Nevada and California had higher rates. Renews the program for incentive periods beginning on or after July 1, 2025, and ending on or before June 30, 2032. Would only take the state 1 to 2 years to recoup tax credit when the average employee tenure is over 4 years.

- **Small Business Property Tax Relief Act HB 1361 & SB 146** - Creates a credit for certain small businesses in an amount equal to the lesser of 10% of the property taxes paid by the qualified small business during the taxable year for eligible real property or \$1,500. Inflation, high-interest rates, and workforce shortages have taken a toll on many small businesses. Property taxes are equally draining on these organizations as well. Property tax relief would be another economic driver.
- **HB 1147 Build Illinois Homes Act** - Provides that owners of qualified low-income housing developments are eligible for credits against the taxes imposed by the Illinois Income Tax Act or taxes, penalties, fees, charges, and payments imposed by the Illinois Insurance Code.
- **Investment in and Support of Early Childhood Care and Preschool** – A new statewide survey of Illinois business leaders underscores the critical role that childcare and early education play in maintaining a stable workforce and strengthening the future economy. The survey reveals overwhelming support for increased public investment in early childhood programs, with employers citing ongoing hiring challenges and the struggles employees face in securing reliable childcare.
  - 91.5% of business leaders support “greater public investments in high-quality childcare and early childhood education,” with more than half strongly agreeing.
  - 93.1% believe Illinois’ multiyear effort to strengthen birth-to-5 services—guided by a bipartisan commission—will positively impact the workforce.
  - The survey found that more than 80% of business leaders reported difficulties hiring workers with strong skills, while nearly 95% said their companies are spending more to recruit skilled employees than in previous years—19% noting significant increases.
  - Additionally, more than four out of five business leaders reported witnessing employees struggle with securing childcare, leading to:
    - 66.4% saw lost work hours.
    - 58.3% reporting reduced wages for affected employees.
    - 37.3% citing job losses.
    - 66.8% noting overall declines in business productivity.
    - 63.3% deal with costly employee turnover due to childcare-related disruptions.
  - Given these challenges, 88.5% of business leaders agreed that access to high-quality childcare and early education is essential for helping working parents stay in the workforce.
  - Furthermore, 86% stressed that early childhood programs lay a critical foundation for children’s long-term success, echoing findings from brain development research.
  - Survey results indicate strong business community support for these efforts:
    - 97.1% of respondents agreed that investing in early childhood teachers and support staff would strengthen Illinois’ economic development.
    - 85.8% expressed confidence that consolidating birth-to-5 services under a single new state agency would improve access and program quality.
- **Retention of Road Funds** – In the budget address, one source of revenue mentioned was delaying the transfer of motor-fuel tax revenue from the general fund to the road fund. Our region relies heavily on funding transportation projects and any delay in funding would be worrying. More information on the subject is sought.
- **Mass Transit Funding & Reform** – Any final solution should include meaningful reform coupled with funding solutions that do not overburden those that are not users. A well-functioning transit system has tremendous economic value and decisions should remain as local as possible.

We oppose the following

- **Reintroduction of the Minimum Wage – Gratuities (HB 2982)**
- **Expansion of the Transportation Benefits Program Act (HB 3094)**
- **Legislation that would mandate manufactures to sell an increased percentage of zero-emission trucks each year until 100% zero-emissions are achieved.** This would impact small businesses disproportionately.

- Additionally, the Illinois Pollution Control Board is considering a proposal to ban most new non-electric vehicle sales by 2035, adopting California-style emissions standards. This would phase out gasoline and diesel-powered vehicles while imposing new testing and emissions regulations on heavy-duty trucks.
- A recent survey found 99% of small business members oppose the mandates, fearing higher costs, driver shortages, and increased transportation expenses that would ultimately be passed on to consumers.
- **Adjustments to casino tax structures returning them to pre-COVID levels.** Over the past five years, the state has added six brick-and-mortar casinos—four permanent and two temporary—while also maintaining the most extensive video gaming terminal (VGT) network in the country. With nearly 8,700 licensed VGT operators and over 48,700 terminals, VGTs have become the largest source of gaming tax revenue in Illinois.
  - In 2024, VGTs generated \$884.2 million in state tax revenue and an additional \$152.4 million for local municipalities. By comparison, Illinois’ 16 casinos contributed \$345.2 million in state tax revenue, while sports betting receipts totaled \$244.2 million through November. The state is also the second-largest sports betting market in the U.S., recently shifting from a flat 15% tax rate to a progressive system ranging from 20% to 40% at the start of Fiscal Year 2025.
  - The proposed bills—SB 1963 and HB 3080—include a significant change from last session: an increase in the tax rate from 15% to 25%.

## Monitoring

### **Education**

- **Expand Four-Year Degree Offerings at Illinois Community Colleges** - Under the proposal, community colleges would be authorized to offer four-year degree programs in specific high-demand industries, such as health care, early childhood education, and advanced manufacturing. The plan includes a tuition cap: community colleges would not be allowed to charge more than 150% of their standard tuition rate for the third and fourth years of a bachelor’s program. This pricing structure is significantly lower than that of Illinois public universities, which charge nearly three times the cost of community colleges, and private universities, which charge more than six times as much.
- “Screen-Free Schools” - A statewide ban on cellphones in classrooms, a move aimed at improving student achievement, social interaction, and mental health.

### **Employment Law**

- HB 3762 Workplace Temperature Safety Act
- SB 2339 / HB 3364 E-Verify Right to Privacy in the Workplace Act
- HB 2794 Employee Classification of General Contractors, Developers & Subcontractors
- HB 2565 Family and Medical Leave Insurance Program
- HB 1278 VESSA – Employee Access to Employer Monitoring
- HB 1311 IRS Classification

### **Energy**

- HB 1230/1608/2419 & SB 1307/1686 Environmental Justice
- HB 3758 & SB 2497 / HB 3779 & SB 2473 Energy Omnibus
- **Energy Storage Capacity – Battery Storage**
- **Phasing out (or banning) the use of natural gas in homes, farms, and businesses.**

### **Environment**

- HB 1175 & SB 1436 Coal Ash
- SB 41 Clean Transportation Standard

## Healthcare

- **HB 1018/1159/1171/2440 Pharmacy Benefit Managers**
- **HB 1085 & HB 1448/SB 1603 Mental Health**

## Housing

- Allow multi-unit housing on lots currently restricted to single-family homes.
- Remove bans on accessory dwelling units (ADUs).
- Limit impact fees that homebuilders pay to municipalities.
- **Establish tax-deductible savings accounts to help first-time homebuyers** - SB148, introduced with the backing of Illinois Realtors, would create a special savings account program designed exclusively for purchasing a single-family residence. Under the proposal, deposits into these accounts would be deductible from state income taxes, with certain limitations.
  - The deductions would be capped at:
    - \$5,000 per year for individuals
    - \$10,000 per year for joint accounts
    - A lifetime maximum of \$25,000 per individual and \$50,000 for joint accounts over a 10-year period

## Pensions

- **We continue to actively pursue information regarding potential Pension Reform** - the financial strain of Illinois' pension system is significant. Contributions to the state's five underfunded pension systems—which aim for 90% funding by 2045—consume approximately 20% of the state's annual budget. Despite these efforts, the long-term unfunded liability remains at an alarming \$144 billion.
- An in-depth study regarding the evaluation of Tier 2 pension benefits is needed which were introduced in 2011 to curb escalating costs. Questions remain about whether these benefits meet federal thresholds. The reported gap between Tier 2 benefits and the minimum benefits required to avoid Social Security taxation has more than doubled in the last five years. This growing discrepancy has prompted the push for reforms to enhance Tier 2 benefits.

## Tax

- **Sales Tax Expansion – idea has been floated to expand taxes to include new taxes on professional services.**
- **Property Tax – Continue to advocate for reforms that make the assessment and levying process more transparent and fairer.**
- **HJRCA 8 & SJRCA 4 Income Tax – Continue to oppose proposals that would create higher income tax burdens.**

## Technology

- **HB 2838 BIPA Security**
- **HB 62 & SB 1486 Consumer Fraud Fee Disclosure**
- **HB 2549/1909 & SB 122 Right to Repair**

## Transportation

- **Consideration of Mileage-Based Tax to Replace Gas Tax Revenue**