



CORPORATE EMPLOYER EXPENSE TAX

ENACT A HEAD TAX ON CORPORATIONS ON A PER EMPLOYEE BASIS THAT EXEMPTS BUSINESSES UNDER 100 EMPLOYEES, NON-PROFITS, AND GROCERY STORES.

THE SITUATION

- In 2017, Trump enacted the Tax Cuts and Jobs Act (TCJA), which slashed the top federal corporate tax rate from 35% to a flat 21%—the largest corporate tax cut in U.S. history.
- Despite the theory that reducing taxes on corporations will lift all boats, studies on the 2017 TCJA reveal that almost all of the benefits flowed to the very top—49% to firm owners, 11% to executives, and 40% to high-income workers (those in the top 10% within their firms).. A staggering zero percent went to low-paid workers.
- Corporations in Chicago can pay into the city budget for the privilege of doing business in Chicago without hurting their bottom line because they have already received huge tax cuts

THE PROPOSAL

- Enact a corporate head tax of \$33 per employee per month
 - Exemptions:
 - Businesses with fewer than 500 global employees
 - Employees that are not full-time
 - Non-profits
 - Grocery stores

THE REVENUE GENERATED: \$400 MILLION

