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Bill Status of SB0001 101st General Assembly

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Short Description: MINIMUM WAGE/INCOME TAX CREDIT

Senate Sponsors

Sen. [Kimberly A. Lightford](#) - [Jacqueline Y. Collins](#) - [Antonio Muñoz](#) - [Iris Y. Martinez](#) - [Mattie Hunter](#), [Patricia Van Pelt](#), [Robert Peters](#), [Ann Gillespie](#), [Ram Villivalam](#), [Omar Aquino](#), [Martin A. Sandoval](#), [Terry Link](#), [Elgie R. Sims, Jr.](#), [Toi W. Hutchinson](#), [Cristina Castro](#), [Emil Jones, III](#) and [Christopher Belt](#)

House Sponsors

(Rep. [Will Guzzardi](#) - [Marcus C. Evans, Jr.](#) - [Jay Hoffman](#) - [Delia C. Ramirez](#) - [Emanuel Chris Welch](#), [Jaime M. Andrade, Jr.](#), [Aaron M. Ortiz](#), [Justin Slaughter](#), [Celina Villanueva](#), [Sara Feigenholtz](#), [Yehiel M. Kalish](#), [Thaddeus Jones](#), [Anne Stava-Murray](#), [Mary E. Flowers](#) and [Luis Arroyo](#))

Last Action

Date	Chamber	Action
2/19/2019	Senate	Public Act 101-0001

Statutes Amended In Order of Appearance

[820 ILCS 105/1](#) from Ch. 48, par. 1001

Synopsis As Introduced

Amends the Minimum Wage Law. Makes a technical change in a Section concerning the short title.

Senate Floor Amendment No. 1

Deletes reference to:

[820 ILCS 105/1](#)

Adds reference to:

[5 ILCS 100/5-45](#) from Ch. 127, par. 1005-45

[35 ILCS 5/704A](#)

[820 ILCS 105/4](#) from Ch. 48, par. 1004

[820 ILCS 105/7](#) from Ch. 48, par. 1007

[820 ILCS 105/10](#) from Ch. 48, par. 1010

[820 ILCS 105/11](#) from Ch. 48, par. 1011

[820 ILCS 105/12](#) from Ch. 48, par. 1012

Replaces everything after the enacting clause. Amends the Illinois Income Tax Act and the Minimum Wage Law. Provides for an increase in the minimum wage and for a credit against withholding payments in relation to the increase. Increases the minimum wage to \$9.25 per hour beginning January 1, 2020. Provides for annual increases in the minimum wage culminating in a minimum wage of \$15 per hour beginning on January 1, 2025. Provides to employers with 50 or fewer full-time

equivalent employees a credit against tax withheld beginning January 1, 2020. Reduces the credit beginning January 1, 2021. Provides employers may claim the credit amount in effect on January 1, 2025 until December 31, 2026 and that employers with no more than 5 employees may claim that credit until December 31, 2027. Authorizes the Department of Labor to perform random audits of employer to ascertain compliance with the Minimum Wage Law. Authorizes a penalty of \$100 per employee for failure to maintain required records. Effective immediately.

Pension Note (Government Forecasting & Accountability)

There is no readily discernible fiscal impact associated with SB1, as engrossed. To the extent minimum wage workers participate in pension funds governed by the Pension Code, there could be an increase in accrued liability, but it would presumably be very small and likely actuarially insignificant.

State Debt Impact Note (Government Forecasting & Accountability)

This bill would not change the amount of authorization for any type of State-issued or State-supported bond, and, therefore, would not affect the level of State indebtedness.

Fiscal Note (Dept of Revenue)

Increasing the minimum wage to \$15 per hour over 6 years increases state revenues. The positive effect on tax revenue, in the form of income and sales taxes, is only slightly offset by the negative effect on income tax revenues of the tax credit extended to eligible businesses. Overall, the net impact of this proposed legislation is an increase in state revenues of nearly \$390 million by fiscal year 2027. The positive effect on tax revenue is produced by the additional income tax collection and sales tax collection given by higher wages and personal consumption expenditure in the state economy. We estimate Individual Income tax (IIT) revenue at the current individual income tax rate of 4.95 percent. The estimate for Sales Tax revenue values were decreased to account for the fact that the state does not tax services and receives no share of revenue on food for consumption off site, prescription drugs or certain medical devices. The negative effect on Income tax revenue is due to the tax credit against withholdings. The tax credit for eligible employers is a declining percentage of the wage increment defined as the differential between the employee's hourly wage from the final quarter of the previous calendar year and the State's minimum wage of the present year). The credit, applied on a calendar year basis, is set to scale down over the course of the ramp (to year 2025) at which point the calculation of the credit shifts to a flat, fixed dollar amount. The schedule of credits is as follows: 25% credit in 2020; 21% credit in 2021; 17% credit in 2022; 13% credit in 2023; 9% credit in 2024, and 5% credit in 2025. In calendar year 2026, the credit for businesses is fixed to match the credit taken in 2025; in calendar year 2027, the credit for those businesses with 5 or fewer employees is fixed to match the credit taken in 2025. In calculating the cost of the tax credit, we considered the number of minimum wage jobs increasing from \$8.25 in 2019 to \$10.00 in 2020, from \$10.00 to \$11.00 in 2021 and so on until 2027. We discounted those jobs in firms with more than 50 employees using Census bureau data on small firms in Illinois. We considered 1750 hours of work as full time in accordance with prior studies on the subject. All estimates above are static estimates, meaning that they do not account for changes in the labor supply and demand associated to the increase in labor cost.

Home Rule Note (Dept. of Commerce & Economic Opportunity)

This bill does not pre-empt home rule authority.

State Mandates Fiscal Note (Dept. of Commerce & Economic Opportunity)

This bill does create a State mandate.

Balanced Budget Note (Office of Management and Budget)

Please be advised that the Balanced Budget Note Act does not apply to SB 1, as it is not a supplemental appropriation that increases or decreases appropriations. Under the Act, a balanced budget note must be prepared only for bills that change a general funds appropriation

for the fiscal year in which the new bill is enacted.

Correctional Note (Dept of Corrections)

There is no fiscal or population impact on the Department of Corrections.

Judicial Note (Admin Office of the Illinois Courts)

This bill would neither increase nor decrease the number of judges needed in the State of Illinois.

Housing Affordability Impact Note (Housing Development Authority)

This bill will have no effect on the cost of constructing, purchasing, owning, or selling a single-family residence.

Actions

Date	Chamber	Action
1/9/2019	Senate	Filed with Secretary by Sen. Kimberly A. Lightford
1/9/2019	Senate	First Reading
1/9/2019	Senate	Referred to Assignments
1/23/2019	Senate	Approved for Consideration Assignments
1/23/2019	Senate	Placed on Calendar Order of 2nd Reading January 29, 2019
1/29/2019	Senate	Second Reading
1/29/2019	Senate	Placed on Calendar Order of 3rd Reading January 30, 2019
1/29/2019	Senate	Added as Chief Co-Sponsor Sen. Jacqueline Y. Collins
1/29/2019	Senate	Added as Chief Co-Sponsor Sen. Antonio Muñoz
1/30/2019	Senate	Added as Chief Co-Sponsor Sen. Iris Y. Martinez
1/30/2019	Senate	Added as Chief Co-Sponsor Sen. Mattie Hunter
2/6/2019	Senate	Senate Floor Amendment No. 1 Filed with Secretary by Sen. Kimberly A. Lightford
2/6/2019	Senate	Senate Floor Amendment No. 1 Referred to Assignments
2/6/2019	Senate	Senate Floor Amendment No. 1 Assignments Refers to Executive
2/6/2019	Senate	Added as Co-Sponsor Sen. Patricia Van Pelt
2/6/2019	Senate	Added as Co-Sponsor Sen. Robert Peters
2/7/2019	Senate	Senate Floor Amendment No. 1 Recommend Do Adopt Executive ; 013-006-000
2/7/2019	Senate	Recalled to Second Reading
2/7/2019	Senate	Senate Floor Amendment No. 1 Adopted; Lightford
2/7/2019	Senate	Placed on Calendar Order of 3rd Reading
2/7/2019	Senate	Third Reading - Passed; 039-018-000
2/7/2019	House	Arrived in House
2/7/2019	House	Chief House Sponsor Rep. Will Guzzardi
2/7/2019	House	First Reading
2/7/2019	House	Referred to Rules Committee
2/7/2019	House	Assigned to Labor & Commerce Committee
2/7/2019	Senate	Added as Co-Sponsor Sen. Ann Gillespie
2/7/2019	Senate	Added as Co-Sponsor Sen. Ram Villivalam
2/7/2019	Senate	Added as Co-Sponsor Sen. Omar Aquino

2/7/2019	Senate	Added as Co-Sponsor Sen. Martin A. Sandoval
2/7/2019	Senate	Added as Co-Sponsor Sen. Terry Link
2/7/2019	Senate	Added as Co-Sponsor Sen. Elgie R. Sims, Jr.
2/7/2019	Senate	Added as Co-Sponsor Sen. Toi W. Hutchinson
2/7/2019	Senate	Added as Co-Sponsor Sen. Cristina Castro
2/7/2019	Senate	Added as Co-Sponsor Sen. Emil Jones, III
2/8/2019	House	Added Alternate Chief Co-Sponsor Rep. Arthur Turner
2/8/2019	House	Added Alternate Chief Co-Sponsor Rep. Jay Hoffman
2/8/2019	House	Added Alternate Chief Co-Sponsor Rep. Delia C. Ramirez
2/8/2019	House	Added Alternate Chief Co-Sponsor Rep. Emanuel Chris Welch
2/13/2019	House	Added Alternate Co-Sponsor Rep. Jaime M. Andrade, Jr.
2/13/2019	House	Added Alternate Co-Sponsor Rep. Aaron M. Ortiz
2/13/2019	House	Added Alternate Co-Sponsor Rep. Justin Slaughter
2/13/2019	Senate	Added as Co-Sponsor Sen. Christopher Belt
2/13/2019	House	Added Alternate Co-Sponsor Rep. Celina Villanueva
2/13/2019	House	Added Alternate Co-Sponsor Rep. Sara Feigenholtz
2/13/2019	House	Added Alternate Co-Sponsor Rep. Yehiel M. Kalish
2/13/2019	House	Do Pass / Short Debate Labor & Commerce Committee ; 019-010-000
2/13/2019	House	Placed on Calendar 2nd Reading - Short Debate
2/13/2019	House	Second Reading - Short Debate
2/13/2019	House	Held on Calendar Order of Second Reading - Short Debate
2/14/2019	House	Alternate Chief Co-Sponsor Removed Rep. Arthur Turner
2/14/2019	House	Added Alternate Chief Co-Sponsor Rep. Marcus C. Evans, Jr.
2/14/2019	House	Fiscal Note Requested by Rep. Mark Batinick
2/14/2019	House	State Mandates Fiscal Note Requested by Rep. Mark Batinick
2/14/2019	House	Home Rule Note Requested by Rep. Mark Batinick
2/14/2019	House	Pension Note Requested by Rep. Mark Batinick
2/14/2019	House	Pension Note Filed
2/14/2019	House	State Debt Impact Note Filed
2/14/2019	House	Fiscal Note Filed
2/14/2019	House	Home Rule Note Filed
2/14/2019	House	State Mandates Fiscal Note Filed
2/14/2019	House	Placed on Calendar Order of 3rd Reading - Short Debate
2/14/2019	House	Added Alternate Co-Sponsor Rep. Thaddeus Jones
2/14/2019	House	Added Alternate Co-Sponsor Rep. Anne Stava-Murray
2/14/2019	House	Balanced Budget Note Filed
2/14/2019	House	Correctional Note Filed
2/14/2019	House	Judicial Note Filed
2/14/2019	House	Housing Affordability Impact Note Filed
2/14/2019	House	Third Reading - Short Debate - Passed 069-047-001
2/14/2019	Senate	Passed Both Houses
2/14/2019	House	Added Alternate Co-Sponsor Rep. Mary E. Flowers
2/14/2019	House	Added Alternate Co-Sponsor Rep. Luis Arroyo
2/15/2019	Senate	Sent to the Governor

2/19/2019	Senate	Governor Approved
2/19/2019	Senate	Effective Date February 19, 2019
2/19/2019	Senate	Public Act 101-0001

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