

The Small Business Job Creation Tax Credit will support small businesses and their local communities. This legislation will make a **\$2,500 tax credit** available to small businesses that hire a **net new employee**.

To qualify for this tax credit, a small business must:

- Have 50 or fewer full-time employees.
- Hire a net employee and maintain that higher rate of employment over a 12-month period.
- Hire an employee that works at least 35 hours per week.

The Small Business Job Creation Tax Credit would prove more beneficial for Illinois taxpayers than many existing incentives. For example, a small business that pays a new employee \$40,000 generates more than \$1,800 in income taxes in the first year alone.

The median employee tenure across all U.S. private-sector businesses is 3.5 years. This means that for a \$40,000 employee, the state stands to collect more than \$6,000 in income tax over the typical tenure of a new hire. Even for a \$30,000 employee, the state would recover its initial investment within two years. This projection excludes potential increases in other taxes resulting from changes in disposable income.

Salary	Taxes Collected in First Year	Taxes Collected in 3.5 Years	Years to Recover Investment
\$30,000	\$1,344	\$4,704	1.86
\$40,000	\$1,839	\$6,436	1.36
\$50,000	\$2,334	\$8,169	1.07
\$60,000	\$2,829	\$9,901	0.88

This legislation will foster economic development and provide stimulus to businesses unable to access traditional economic incentives. It will help **create 20,000 jobs in five years** and will be revenue-positive for Illinois. No wonder the credit has bipartisan support!