



SMALL  
BUSINESS  
ADVOCACY  
COUNCIL

# SBAC AGENDA 2025

Representing the Small Business  
Community in Illinois

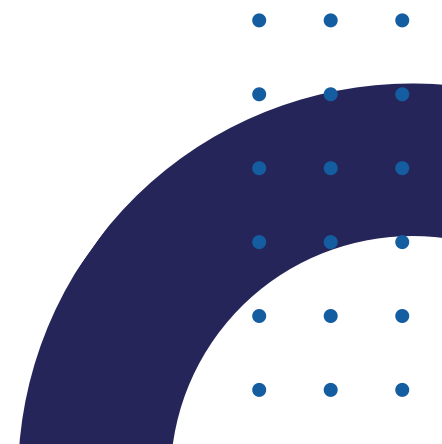
## **PREPARED FOR:**

Small Business Community  
Illinois Legislators

## **PREPARED BY:**

SBAC Team

February 2025



The SBAC continues to build momentum and score points for the small businesses! Here is our robust agenda, which is laser-focused on supporting the small business community.

**SMALL BUSINESS JOB CREATION ACT**  
HB1819 / SB1505

The reinstatement of a popular \$2,500 tax credits for small businesses (50 or less employees) that hire net new employees. These tax credits will create jobs, foster economic development, and provide incentives to businesses otherwise unable to access economic incentives.

**SMALL BUSINESS ECONOMIC INCENTIVE ACT**  
HB1372 / SB2005

This legislation paves the way for small businesses to have greater access to state tax incentives by allocating at least 50% of them to businesses with 50 or fewer employees. Let's provide opportunities to all Illinois businesses!

**REGULATIONS & SMALL BUSINESS**

The SBAC is working to fully implement the Regulatory Flexibility Act, which will ensure that state agencies analyze and consider the impact new rules have on small businesses. This will also provide business owners and advocates a greater chance to be heard. Preventing the imposition of burdensome red tape will help small businesses thrive and create a stronger Illinois economy.

**SUPPORTING ENTREPRENEURSHIP AND ECONOMIC DEVELOPMENT**  
HB3126 / SB1979

Sometimes folks who have lost their jobs are ready to become small business owners as opposed to trying to find another position at a new employer. Other states permit newly-unemployed individuals to focus on starting a business while still receiving unemployment benefits. Illinois should join New York, Oregon, and other states fostering economic growth by supporting these entrepreneurs.

**SMALL BUSINESS PROPERTY TAX RELIEF**  
SB0146 / HB 1361

The SBAC is championing a tax credit for small businesses that own the commercial space they operate from, to offset the costs of high property taxes. This legislation provides a tax credit that is equal to 10% of an eligible small business' annual property taxes, with a \$1,500 cap.

**OCCUPATIONAL LICENSING**  
**PRIOR:**  
HB3651/SB2402  
**APPRENTICESHIP:**  
HB3460

**Pre-Regulatory Impact and Occupational Review (PRIOR) Act, HB3651/SB2402:** This legislation provides for a temporary pause on the creation of new occupational licenses and provides that a Pre-Regulatory Impact Assessment is completed and presented to the General Assembly before a new occupational license is created or expanded.

**Apprenticeship Act, HB3460:** Amends the Barber, Cosmetology, Esthetics, Hair Braiding, and Nail Technology Act of 1985. The SBAC alongside the IJ Clinic on Entrepreneurship is working to pass legislation that provide anticipating professionals with an alternative pathway to receive their license.

**CENTER FOR BUSINESS OWNERSHIP SUCCESSION & EMPLOYEE OWNERSHIP**

Business owners may want to encourage employee engagement or transition their companies to employees. Illinois established the Center for Business Ownership Succession and Employee Ownership to educate business owners on this business model, but it still needs funding. We will be pushing to get establish and activate this center so that businesses can remain open and support communities even through a ownership transition.

**GOVERNMENT CONTRACTING**  
HB3655 / SB2198

Securing a state contract can be a game changer for a small business. However, the State does not meet its goals when it comes to awarding contracts to small businesses and does not provide enough opportunities to entrepreneurs in disinvested communities. The SBAC is working to bring transparency to the process through a standardized scorecard and Request for Proposals process.

How has the SBAC successfully advocated for the small business community? Through communication, collaboration, and a non-partisan approach. We look forward to scoring more wins for the small business community in 2025!



# SMALL BUSINESS JOB CREATION TAX CREDIT

## HB1819 / SB1505

Small businesses drive the Illinois economy, and sustaining their growth is crucial. Programs supporting these employers can ensure robust job growth.

The Small Business Job Creation Tax Credit, established in 2010 in response to the 2008 recession, aimed to encourage small business owners to generate employment opportunities. Applicable to businesses with fewer than 50 employees and those participating in Governor Quinn’s “Put Illinois to Work” program, the credit provided \$2,500 per new job. However, the credit lapsed in July 2016 and has not been renewed.

### Requirements to qualify for the tax credit:

- Business has no more than 50 full-time employees
- Increase net employees and maintain that increase over a 12-month period, starting from the date of hire
- The new job created must pay a basic wage for at least 35 hours per week

The Small Business Job Creation Tax Credit Act, at \$2,500 per net gain employee, proves more financially beneficial for Illinois and taxpayers than many other credits. For instance, a small firm hiring at \$40,000 generates an estimated \$1,800 in income taxes in the first year alone, reducing the state's initial loss to just \$700. With the average tenure of an employee being 4.2 years\*, the state stands to collect \$7,796 in income tax over the long term from a modest \$2,500 investment. This projection excludes potential increases in other taxes due to disposable income.

Salary Projections	Estimated State Taxes Collected Effective Flat Tax Rate (single filer)	Est. Income Tax Collected on Avg. Employee Tenure (4.2 yrs)	Amount in years to recoup tax credit
\$30,000	\$1,361	\$5,717	1.84
\$40,000	\$1,856	\$7,796	1.35
\$50,000	\$2,351	\$9,875	1.06
\$60,000	\$2,846	\$11,954	0.88

By reinstating the Illinois Small Business Job Creation Act, Illinois can create up to 20,000 new jobs for our residents over the next 5 years. The SBAC supports efforts to bring back this important program for the small business community.

If you have any questions, please contact the SBAC at [natalia@sbacil.org](mailto:natalia@sbacil.org).

\*US Department of Labor Statistics, September 26, 2024, <https://www.bls.gov/news.release/pdf/tenure.pdf>



# SMALL BUSINESS PROPERTY TAX RELIEF ACT

## SB0146 / HB1361

Inflation, high-interest rates, and a workforce shortage have taken their toll on many small businesses. Property taxes are also hurting Illinois businesses. Policymakers can support the small business community by passing legislation that provides property tax relief to the small businesses that drive our economy.

### THE LEGISLATION

The Small Business Property Tax Relief Act will provide a \$1500.00 tax credit to small businesses to offset the rising costs of property taxes.

Eligible small businesses must:

- Be registered and operate within the state of Illinois.
- Have 50 or fewer employees.
- Own or lease property in Illinois that is subject to property taxes. Home offices do not qualify for this tax credit.
- Comply with all state tax obligations, which encompass income, sales, and employment taxes.

### TAX CREDIT FOR SMALL BUSINESSES

Small businesses can receive a tax credit up to 10% of their annual property tax payments, capped at \$1500.00. Tax credits are awarded based on the date the appropriate paperwork is submitted. A total of \$50,000,000.00 has been allocated for this program, which will span over five years. Stakeholders will prioritize disseminating information about this tax credit program in disinvested communities.

### WHY THIS LEGISLATION IS IMPORTANT

Small businesses drive our economy, create jobs, and support local communities. With incentive programs and tax credits so often focused on large corporations, this tax credit will help small businesses navigate these challenging economic times and position them for future success.

# ECONOMIC INCENTIVES FOR SMALL BUSINESSES

## HB1372 / SB2005

Small businesses drive our economy and support local communities. Accordingly, Illinois policymakers should allocate a fair share of economic incentives to the small business community. Applying for these incentives should not require small businesses to spend an unreasonable amount of time or resources. So long as Illinois uses economic incentives to foster the growth of our economy, small businesses should receive a fair share of these opportunities. The SBAC is advocating for legislation that will ensure this happens.

### 50% OF ALL ECONOMIC INCENTIVES

#### Access to Incentives

This legislation mandates that businesses with 50 or fewer employees receive 50% of the economic incentives awarded by the state.



#### Transparency

The legislation requires the agencies that award economic incentives to disclose whether they have allocated a fair share of economic incentives to small businesses.

### COLLABORATE WITH POLICYMAKERS

#### Collaboration

The SBAC will collaborate with policymakers to formulate and implement programs focused on providing incentives to businesses with 50 or fewer employees.

Large and small businesses play a pivotal role in the Illinois economy. Passing this bill will ensure that along with providing resources to larger companies, small businesses also have access to economic incentives. Supporting small and local businesses will improve the business climate in Illinois, create jobs and strengthen our economy.



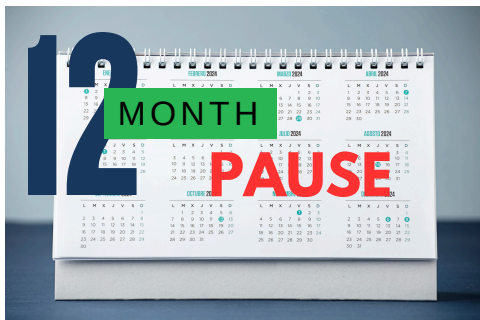


# PRE-REGULATORY IMPACT AND OCCUPATIONAL REVIEW (PRIOR) ACT HB3651 / SB2402

## Unchecked Occupational Licensing Burdens Businesses

The list of occupational licenses that exist in the State of Illinois is extensive and some cause unnecessary red tape for small businesses and workers. The goal of HB3651 and SB2402 is to provide a temporarily pause on new occupational licenses while ensuring legislators have all the data needed before enacting new licenses.

### The Solution: A Smarter Approach to Licensing



This legislation provides for a **temporary pause on the creation of new occupational licenses** and provides that a **Pre-Regulatory Impact Assessment** is completed and presented to the General Assembly before a new occupational license is created or expanded.

As part of this review, **evidence demonstrating the need for a license** and its broader impact will need to be presented, along with an **impartial cost analysis of new licensing proposals** to ensure feasibility and necessity.

By implementing a pre-regulatory review and requiring fiscal analysis, this legislation promotes transparency and accountability in the licensing process. This is an important way to unleash Illinois entrepreneurs and supplement our workforce!



# APPRENTICESHIP ACT

## HB3460

### Expanding Career Pathways



Illinois currently requires individuals seeking barbering and cosmetology licenses to complete expensive and time-consuming school programs. Many aspiring professionals cannot afford traditional schooling or need more flexible training options. The lack of apprenticeship programs restricts hands-on learning opportunities, limiting career entry points for workers.

### The Solution: A Smarter Approach to Licensing

The Small Business Advocacy Council is working with the IJ Clinic on Entrepreneurship to pass **legislation to provide anticipating professionals an alternative pathway to receive their license.**



Through this legislation, **apprentices will train** under licensed professionals while gaining practical experience in the field; individuals will **earn a license through hands-on training.** Apprentices will be required to complete structured training hours under licensed professionals, providing a **cost-effective and practical** alternative to traditional schooling.

This legislation will create new job opportunities for aspiring professionals. It will allow small businesses to train and mentor the next generation of professionals, while maintaining licensing integrity.



Securing a state contract can be a game changer for a small business. Years ago, the state set a goal of awarding 10% of its contacts to small business. Even though small businesses make up over 93% of all Illinois businesses, the state has never come close to meeting the 10% goal.

The process a small business owner faces for securing a contract is daunting and confusing with different rules, deadlines and qualifications for each state department and agency. The procurement process continues to favor large businesses and repeat contractors.

### This legislation would:



Reserve 30% of state contracts valued at less than \$15 million for small business and create a transparent scoring system for awarding these contracts.



Require agencies to uniformly advertise to the small business community all contracts available for bid.



Establish a low interest financing option for small business that secure state contracts to help with cash flow needs.

These measures would enable small businesses to fairly compete and secure a fair share of state contracts.





# SUPPORTING ENTREPRENEUR & ECONOMIC DEVELOPMENT (SEED) : HB3126 / SB1979

## When One Door Closes Another Opens

Layoffs are difficult. However, some newly unemployed individuals may aspire to become entrepreneurs and transform layoffs into opportunities. States such as New York and Oregon have enacted programs that allow unemployed individuals the option to receive unemployment benefits while working full-time to launch their own business. Illinois should also adopt a Self-Employment Assistance (SEA) program to empower recently-unemployed people that want to start a business.

## What is a Self-Employment Assistance Program

SEA programs allow eligible unemployed individuals to receive unemployment benefits while they work full-time to launch their own business. Participants are exempt from traditional job search requirements, enabling them to focus on entrepreneurial activities such as business planning, market research, and procuring operational support. Only individuals that launch their businesses with ample time before their unemployment benefits expire will be eligible to participate.



## Why This Legislation is Important

This will allow recently-unemployed individuals to pursue their goals of owning a small business and foster economic development in communities across our state. It will not cost the state any additional funds, because participants will receive the same benefits as other unemployed individuals. The program will continue to solidify Illinois as an innovation hub.



## Why Not in Illinois

We are calling on policymakers to embrace the development of an SEA program because it will boost the chance unemployed entrepreneurs can succeed and keep Illinois at the forefront of innovation.

