



No Ad Tax Talking Points

- State leaders are considering imposing a sales tax on advertising. This flawed policy will impose a nearly 10% tax on small businesses throughout Illinois that rely on advertising to reach their consumers.
- **Small businesses are the backbone of the Illinois economy, making up 98.2 percent of all employers in the state.** These business owners rely heavily on advertising to help their companies survive.
- Mom-and-pop shops will be hit the hardest. A tax on advertising will cause uncertainty and disruption for small business owners, forcing many to close and deter aspiring entrepreneurs from opening businesses and creating new jobs.
- **Illinois' consumers will ultimately suffer,** as small business owners will have to increase costs of their goods and services to keep up with increased advertising costs.
- **This tax will wipe out the advertising industry in Illinois.** Advertising helps generate \$267 Billion (17.3%) of Illinois' economic activity and helps produce over 900,000 jobs.
- Studies have shown time and again that a tax on advertising has proven to slow economic growth. This tax proposal will **drive revenue and jobs to neighboring states,** crippling our already fragile economy.
- As Illinois' business climate continues to suffer, a tax on advertising is counterintuitive and flies in the face of the pro-business policies currently being proposed by state leadership.
- **No state in the United States applies a sales tax to advertising.**
- In 1987, Florida passed the tax into law and it immediately proved to be unsuccessful:
 - Florida saw a loss of 50,000 jobs and \$2.5 billion in personal income due to lost advertising revenue.
 - Florida also found that with ad purchases decreasing by 12% and going to neighboring states, the tax resulted in a loss of \$100 million in advertising revenue.
 - The administrative costs incurred to administer the tax exceeded tax revenue, and the law was repealed 6 months later.