



# This Week in State Tax (TWIST)

June 8, 2026



## Illinois: State budget contains menagerie of tax items

The Illinois FY 2027 budget ([S.B. 3019](#)), as passed by the General Assembly, includes a potpourri of tax measures. The bill has been presented for signature to Governor JB Pritzker, who has generally spoken favorably of the measure. On the indirect tax front, the primary tax items, if signed, include enactment of a tax on targeted advertising services, a social media platform fee, a tax on certain digital asset transactions, expanding taxes on sports wagering, and imposing responsibility to collect certain accommodation taxes on hotel marketplace facilitators. On the income tax side, the budget would, if enacted, make changes to the limitations on the utilization of net operating loss carryovers in future years, as well as allowing an election with respect to the inclusion of resident partners in computing the Pass-through Entity Tax base. In a related item, Governor Pritzker on June 5 issued an executive order instructing the Illinois agency responsible to cease processing data center agreements on July 1, 2026. He also urged the legislature to continue consideration of his framework for data center regulation and development when it reconvenes in its veto session. For further information on the [Illinois Budget bill](#), please see a [KPMG SALT Alert](#) released on Tuesday, June 9. You should also contact [Drew Olson](#) regarding indirect tax matters or [Brad Wilhelmson](#) regarding income tax measures.

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