



# NEWS

## AMERICANS FOR TAX REFORM

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## New Session Brings Possible \$3.8 Billion Tax Increase for Illinois

*- A tax hike is viewed as the only solution for educational woes by some General Assembly Members -*

**WASHINGTON, D.C.** – After no action was taken on the two-part tax increase in the November session, H.B. 750 has once again found its way to the Illinois General Assembly. Aimed at giving the state more control over educational spending, this 2 percent personal income tax increase, along with a 3.2 percent increase on corporate income tax, will cost Illinoisans an additional \$3.8 billion.

Proponents of the bill claim it will place no extra tax burdens on citizens because of a 25 percent reduction in personal property taxes. This, however, is misleading because localities have the authority to reintroduce these taxes with a referendum. The most notable example of a states failure at cutting one tax to raise another would be New Jersey in the late 1970s.

**“This is not sound legislation for a number of reasons,”** said Grover Norquist, President of Americans for Tax Reform. **“First, the bill will place an extra burden on the hard-working families of Illinois. Secondly, taking money away from localities gives Illinoisans less control over how their schools are run. And finally, throwing money at schools is not going to make them more effective.”**

While Illinois is ranked last in funding from personal income taxes, because most comes from localities, it can not be argued this is the problem with the schools. Virginia, Washington and Massachusetts are all ranked amongst the lowest in spending for schools with personal income taxes, yet all three are above average in reading and mathematics. These three states use personal property taxes to fund their schools, so people have more control over how much is being spent in their school district and what the money is being used for.

Norquist added, **“Giving more money to the state is not going to solve education problems in Illinois. States such as Virginia show that educational success comes from the localities having control over the schools. It is time to stop blaming problems on a lack of funds and to start making teachers responsible for their student’s education.”**

Americans for Tax Reform (ATR) is a non-partisan coalition of taxpayers and taxpayer groups who oppose all federal, state and local tax increases. For more information or to arrange an interview, please contact Chris Butler at (202) 785-0266 or at [cbutler@atr.org](mailto:cbutler@atr.org).