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INSTITUTE



ILLINOIS ALLIANCE  
FOR GROWTH

THE  
*Sam Adams*  
ALLIANCE



Family-Pac



AMERICANS  
*for* TAX REFORM



FreedomWorks



AMERICAN LEGISLATIVE EXCHANGE COUNCIL  
**ALEC**

May 11, 2009

## Tax Hikes Would Hurt Illinois Families and Businesses

Dear Members of the General Assembly:

On behalf of the undersigned organizations, we wish to respectfully express our concern with discussions to increase taxes in Illinois.

We are united in our belief that any tax increase plan – income tax or otherwise – isn't right. The General Assembly should reject any and all tax increases for fiscal year 2010 for the following reasons:

- **Tax hikes would hurt Illinois's hardworking families.** Times are tough, and family budgets are tight. Any tax increase would affect a large swath of Illinoisans, many of whom can ill afford another strain on their financial situation. The budget of Illinois shouldn't be balanced by unbalancing the budgets of Illinois's households. We agree with the Attorney General when she says "...this economy makes it almost impossible to place an income tax on people."
- **Tax hikes would make Illinois a less attractive place to do business.** Illinois already ranks 44th and 48th, respectively, in terms of its economic outlook and performance, according to the ALEC-Laffer state economic-competitiveness index. Tax hikes are a recipe to see more businesses relocate out of Illinois, resulting in increased unemployment, less revenue received by the state, and increased unemployment compensation costs.
- **Tax hikes would limit future growth.** Should Illinois increase its historically low income-tax rates, it would forfeit one of the best incentives for people to live and work in the state. Limiting tomorrow's economic growth with tax increases today isn't going to put us on a path to prosperity.

Tax increases are not necessary to balance this budget. Options for spending prioritization and structural budget reforms are available, including:

- Adopting provisions from the *Committee on Deficit Reduction: Senate Republican Report*, which identified more than \$21 billion in potential cost savings over the next five years.
- Passing a three-fifths supermajority voting requirement for all tax/fee hikes and approving a sunshine commission to root out fraudulent, ineffective, or inefficient spending, as outlined in the House Republicans' *Economic Reform Agenda*.

- Adopting many of the recommendations from the Illinois Reform Commission’s *100 Day Report* including recommendations that term limit legislative leaders, enact year-round, real-time campaign disclosure, enhance transparency and accountability, implement procurement improvements, and adopt redistricting reforms.
- Adopting proposals in the Tooling & Manufacturing Association’s “*Manufacturing a Budget Recovery*,” that empower individual legislators in budget deliberations and require a comprehensive review and justification of Illinois’s 1,750 plus programs (with recommendations for consolidation and elimination of redundant and failing programs).
- Applying savings identified by Governor Quinn’s Taxpayer Action Board toward reducing the budget deficit. Proposals currently being discussed by the Board include Medicaid reforms that move people to “person-centered managed care,” pension and health reforms for state employees, reducing operation expenses, and seeking procurement and transparency reforms.
- Requiring that any money borrowed to cover today’s deficit will be paid for by future spending reductions – and not tax hikes.
- Approving spending transparency legislation that would make it easier for everyone to see where taxpayers’ money goes and if it’s used for priority programs.

These and other bi-partisan reforms need to be in place before any discussions over tax increases should even begin. This budget can be balanced without resorting to revenue grabs.

You can make it happen.

Sincerely,

John Tillman  
Illinois Policy Institute

Penny Pullen  
Eagle Forum of Illinois

Greg Blankenship  
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STOP-IT (Sensible Taxpayers Opposed to  
Increased Taxes)

Denise Cattoni  
National Tea Party Coalition

Paul Caprio  
Family PAC

Brian Costin  
Schaumburg Freedom Coalition

Dennis LaComb  
Illinois Review

Tom Schatz  
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Mark Johnson  
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