



Taxes

The overriding issue for me in this election is confronting and reversing our state's fiscal disaster. We cannot allow politicians, many of whom are in it for themselves, to hold our state hostage at such a crucial time. Making the changes we need will take work from everyone and from everywhere across our state. While I am running for state representative in the 11th district, which is entirely within the city of Chicago, I am committed to working with people from throughout the city and from downstate to address the enormous challenges that demand real and immediate solutions.

Chicago residents are the most heavily taxed of any major city in Illinois. Chicagoans pay three times more local taxes and fees than residents of Naperville, twice as many as those from Rockford, and 20% more than Evanstonians. Chicagoans pay more than 30 different city-imposed taxes as well as a host of other fees.

Spending my life working on budgets for individuals, families and businesses, I know there are only two ways you can reduce budget deficits: increasing revenues and/or reducing expenses. Increasing revenues for a government entity can be accomplished in a number of ways without increasing the tax burden.

One way would be to provide businesses in Illinois with a friendly financial environment in which to operate profitably. Not only will profitable businesses pay taxes into the coffers, they will also create jobs. Instead of Illinois losing residents in droves as it does now, a better economic climate would promote opportunities for families who are already here while also attracting non-residents

to move to Illinois. Newly employed workers would purchase goods and services and pay taxes. This in turn generates more profitable businesses, which generates more employment and tax revenue. It's a win-win for everyone.

Unfortunately, instead of making Illinois more business friendly, the Democratic controlled legislature in Springfield, and the almost 7,000 separate taxing districts throughout the state, have decided that increasing taxes is their first choice to increase revenues. This is their quick fix, and it's the price we all pay for their poor and incredibly irresponsible fiscal mismanagement over the past two decades.

In 2011, a temporary income tax hike (67% personal and 46% corporate) was supposed to address unpaid bills and government worker pension debt. In the five years since these hikes were enacted, an additional \$31 billion of revenue has been collected, but unpaid bills are back to 2011 levels, and unfunded liabilities of state pensions is now at a record \$111 billion. Interestingly, when Democratic leader of the House, Michael Madigan, was asked recently how we can solve our fiscal problems, he stated that raising taxes would be "a good first step". Giving more dollars to tax-and-spend politicians did nothing to reign in spending! It only served to increase their desire for more money. Paying off bills was the last thing on their minds.

Consider that since 1963, property taxes have grown 2.5 times faster than inflation and 14 times faster than the state population. Since 1990, residential property taxes have grown 3.3 times faster than median income. Residential taxpayers paid 52% of all property taxes 20 years ago. Today, they pay 64%. Illinois, at 2.32%, is second only to New Jersey in property tax rates, and our recent increase could move us into first place very soon. Illinois has the ninth highest state and local tax burden per capita, and the 13th highest burden as a percentage of income. Illinois has the third highest corporate income tax rate.

In spite of this heavy tax burden, we still don't see any results. Illinois ranks 46th in economic performance, 43rd in GDP growth, 44th in employment growth and 48th in absolute population change. With results like these, it's hard to see how raising taxes to increase revenues has done anything to increase the economic viability of our state.

So with one of the heaviest tax burdens and worst credit ratings in the country, ask yourself if the revenue solutions being offered in this tax and spend environment are making your life better. I suggest that it's not. Instead, Illinois needs a favorable business climate that allows us to increase revenues – without raising taxes – and to create greater stability to benefit all of us.