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HOUSE RESOLUTION

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WHEREAS, The State of Illinois is the 6th most populous state in the country; it is home to world-class cities, enriched communities, renowned tourist destinations, and is a leader in many areas including transportation, technology, finance, manufacturing, agriculture, and, most importantly, access to an unrivaled labor force; and

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WHEREAS, There are many positive aspects of this State that should be applauded and highlighted, unfortunately, we find ourselves at a true crossroads; years of fiscal irresponsibility and political malfeasance have resulted in an undesirable state of affairs that has plagued and will continue to loom over the Land of Lincoln; and

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WHEREAS, Based on 2015 American Community Survey (ACS) data collected by the U.S. Census Bureau, Illinois experienced a 3.7% increase when comparing the median household income reported in the 2014 ACS (\$57,478) and the 2015 ACS (\$59,588); the 3.7% increase was just under the U.S. average of 3.8%; moreover, the states of Missouri and Wisconsin witnessed more substantial increases; and

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WHEREAS, Illinois has to move towards a future that seeks and expects to be competitive in all sectors; that is what

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1 every State across America is doing in order to embolden their
2 residents and, furthermore, attract the best and brightest
3 employees and employers; and

4 WHEREAS, It is with this reality in mind that Illinois
5 lawmakers now more than ever must act in order to ensure that
6 the best days for Illinoisans are ahead of us; the time of
7 kicking the can down the road and blatant inaction and
8 disregard is over; Illinois must unequivocally reinforce the
9 notion, not only to every resident but to any person that may
10 wish to come to the Prairie State, that Illinois is truly
11 forward-looking; and

12 WHEREAS, There is no greater threat to Illinoisans
13 currently than that of continuing down the trajectory that we
14 are on today; through years of laxity, unchecked spending, and
15 ever-growing means of overtaxation, Illinois residents are
16 being subjected to incredible pressures to leave their homes
17 and relocate elsewhere; and

18 WHEREAS, Illinois has among some of the highest tax burdens
19 of any state not only in the Midwest, but in the country;
20 Illinois has one of the highest average property tax burdens in
21 the United States; Illinois residents are charged one of the
22 highest average combined State and local sales taxes; if this
23 were not enough, Illinois has estate, corporate franchise, and

1 numerous other State and local taxes that make taxpayers
2 reasonably question what Springfield is doing right; and

3 WHEREAS, The Tax Foundation's State Business Tax Climate
4 Index for 2018 ranked Illinois 29th on its yearly report that
5 compares the states' tax systems; comparatively, Indiana was
6 ranked 9th, Michigan was ranked 12th, and Missouri came in at
7 16th most favorable; and

8 WHEREAS, Things must change for the better through fiscally
9 responsible and sustainable initiatives that foster economic
10 growth and cease to be an over-encumbrance on Illinois
11 taxpayers; this is why proposals such as those calling for a
12 graduated income tax to be adopted in this State must be denied
13 outright; and

14 WHEREAS, The Federation of Tax Administrators found in data
15 compiled for their 2015 state and local revenues comparison
16 that, per capita, the average taxpayer paid a total of \$5,751
17 in state and local taxes, the 12th highest in the country; when
18 comparing this amount to the percentage of an average
19 taxpayer's income (11.7%), Illinois came in 8th highest in the
20 country; comparatively, not one of our neighbor states (i.e.,
21 Indiana, Iowa, Kentucky, Michigan, or Missouri) landed in the
22 top 15; and

1 WHEREAS, To continue on this senseless path of
2 overburdening and debilitating propositions of increased
3 taxation and reckless spending is simply unconscionable;
4 proponents of a graduated income tax offer that this is a
5 "fair" treatment of taxpayers, yet this is far from the truth;
6 and

7 WHEREAS, Studies have shown that states with graduated
8 income taxes impose an increased burden on the middle-class;
9 this venture, instead of creating fairness, exasperates the tax
10 base; and

11 WHEREAS, States that impose graduated income tax rates,
12 which vary in application but number 33 in all, present a
13 troublesome case for their residents, and would, undoubtedly,
14 present an equally problematic case here in Illinois; looking
15 at California, for example, which has one of the most so-called
16 progressive income tax bracket systems, with a base rate of 1%
17 and a top marginal rate of 13.3%, an Illinois taxpayer that is
18 earning a median household income of approximately \$59,000
19 would be subject to a 9.3% income tax rate under the Golden
20 State's model - nearly doubling the current Illinois tax; using
21 the New York tax structure, the Illinois taxpayer would be
22 subject to a 6.33% state tax rate; using the New Jersey model,
23 that same Illinois taxpayer would be subjected to a 5.525%
24 income tax rate; and

1 WHEREAS, Graduated income taxes only create added burdens
2 and dissuade economic prosperity, two unintended consequences
3 that proponents of enacting such a tax system fail to mention;
4 organizations including the Civic Federation and Taxpayers'
5 Federation of Illinois have provided detailed analyses of
6 hypothetical scenarios where Illinois would impose such a tax;
7 these figures might please proponents that only focus on
8 increasing revenues, but it must be noted that there will be a
9 cost to such a proposal that one group, Illinois families, will
10 have to pay for; and

11 WHEREAS, National organizations, such as the Hoover
12 Institution, have outlined the gross inadequacies of the
13 graduated income tax system; while it may appear to provide
14 equity, the so-called progressive income tax punishes
15 hard-working, middle-class families, as they make up the
16 majority of the tax base; there is nothing fair in making
17 average Illinoisans pay for the shortcomings of a legislature
18 that has created a tax and spend paradigm that is
19 unsustainable; and

20 WHEREAS, Proposals calling for a graduated income tax
21 introduced in recent years in the legislature have failed to
22 even begin the discussion because legislators and proponents
23 alike realize that such an initiative would lead to irreparable

1 damage that would only serve to further impair the economic
2 outlook of Illinois; and

3 WHEREAS, A move to amend the constitution to allow for such
4 a repugnant affront to Illinois families would be an act of
5 utter insult to Illinois taxpayers and a dereliction of the
6 duty owed to taxpayers by members of the legislative branch of
7 government, a body that is supposed to improve the general
8 welfare and protect the best interests of all Illinoisans;
9 nothing about creating an unfair, unequal, and avaricious tax
10 system helps the General Assembly accomplish these ends;
11 therefore, be it

12 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE ONE
13 HUNDREDTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that we
14 stand united in opposition to any measure that would allow the
15 creation of a graduated income tax on Illinois residents; and
16 be it further

17 RESOLVED, That suitable copies of this resolution be
18 delivered to each member of the Illinois General Assembly and
19 the Office of the Governor as a testament to our unwavering
20 commitment to improving the day-to-day lives of families across
21 this great State.