

November 25, 2019

To the Honorable Members of
The Illinois House,
101st General Assembly:

Today, I veto House Bill 3902 from the 101st General Assembly, which would have amended the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act and applied a sales tax exemption for materials, parts, equipment, components, and furnishings incorporated into or upon an aircraft as part of the modification, refurbishment, completion, replacement, repair, or maintenance of a private aircraft continuously from January 1, 2010 through December 31, 2024.

My administration appreciates the hard work of the sponsors of this legislation in the House and Senate. However, I am opposed to providing a sales tax exemption to private aircraft companies. The delinquent taxes owed from Illinois' private jet companies amounts to roughly \$50 million, including interest and penalties, and if House Bill 3902 became law, the state would be allowing an additional \$10 million per year in tax credits through 2024.

Giving private aircraft companies tens of millions of dollars in past due tax forgiveness is not the right fiscal decision for our state as we face billions in debt associated with unpaid bills, a multi-billion-dollar structural deficit, and critical needs in schools and public safety services.

My administration is committed to growing Illinois' economy, spurring competition, and creating jobs in every region of the state. I've taken several steps to accomplish this objective, with the strong bipartisan support of the General Assembly in efforts that extend beyond any single industry.

- Together, we enacted the historic \$45 billion Rebuild Illinois plan, which will support and create hundreds of thousands of jobs, fix our long-neglected roads and bridges, invest in higher education and bring broadband to every part of the state.
- We also extended the Research and Development Tax Credit, helping manufacturers who are seeking certainty in the long-term.
- We expanded and made permanent the Manufacturers' Purchase Credit, allowing companies to receive a sales tax exemption for machinery or equipment used to manufacture personal property for retail sale or lease.
- We eliminated the Corporate Franchise Tax, which affects every business operating in the state of Illinois – small businesses most of all.
- We created a new apprenticeship tax credit, which will cover up to \$3,500 of qualified education expenses incurred by employers on behalf of a qualifying apprentice.
- We expanded a set of tax credits for relocating and expanding businesses through the Blue Collar Jobs Act.

Most importantly, we are working to balance our budget and to provide a stable fiscal environment upon which to build a thriving economy. Allowing this past due tax forgiveness to the private jet industry at this time is not in line with this vision.

Therefore, pursuant to Section 9(b) of Article IV of the Illinois Constitution of 1970, I hereby return House Bill 3902, entitled "AN ACT concerning revenue," with the forgoing objections, vetoed in its entirety.

Sincerely,

JB Pritzker