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SENATE RESOLUTION

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WHEREAS, Governor Rod Blagojevich is proposing the largest tax increase in the history of Illinois; and

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WHEREAS, Governor Rod Blagojevich wants to raise \$8 billion by imposing a new Gross Receipts Tax upon all businesses within Illinois; and

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WHEREAS, The Governor would impose the Gross Receipts Tax at a rate of 0.85% on goods and 1.95% on services; and

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WHEREAS, Only five U.S. states currently impose a Gross Receipts Tax, each of which is lower than the Governor's proposed rates; and

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WHEREAS, Three of these five states impose the gross receipts tax as a substitute for an income tax or sales tax, rather than in addition to these two other taxes; and

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WHEREAS, The Tax Foundation, an independent, nonpartisan tax research group that has been evaluating tax policy since 1937, warns that the Gross Receipts Tax is poor tax policy which leads to harmful tax pyramiding and damages the performance of state and local economies; and

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1 WHEREAS, The proposed tax would fall most harshly upon
2 start-ups, struggling firms, and low-profit-margin businesses;
3 and

4 WHEREAS, Illinois is currently ranked by Forbes Magazine as
5 the 44th worst state in the nation in which to conduct business
6 and Illinois ranks 43rd out of the 50 states in job growth over
7 the last four years, trailing all of our neighboring states;
8 and

9 WHEREAS, Agriculture, Illinois' primary industry, will be
10 devastated by the pyramiding effect as seed, fertilizers, farm
11 chemicals, equipment and machinery, and elevator services will
12 all be taxed, and the full burden will be borne by the farmer;
13 and

14 WHEREAS, This stealth tax will be woven throughout the
15 fabric of our economy, increasing prices for consumers on all
16 types of goods and services including healthcare, utilities,
17 and gasoline; and

18 WHEREAS, The new \$8 billion tax burden imposed under the
19 Governor's plan represents \$600 each year for every man, woman
20 and child in Illinois; and

21 WHEREAS, That increased tax burden equates to \$2,400 for

1 every family of four, or an additional tax burden of almost
2 \$200 per month; and

3 WHEREAS, the Joint Hearing of the Senate Education and
4 Revenue Committees attracted more than 500 witnesses in
5 opposition to the proposed Gross Receipts Tax, representing a
6 wide spectrum of the business community; therefore, be it

7 RESOLVED, BY THE SENATE OF THE NINETY-FIFTH GENERAL
8 ASSEMBLY OF THE STATE OF ILLINOIS, that we oppose the Gross
9 Receipts Tax proposed by the Governor of Illinois; and be it
10 further

11 RESOLVED, That a copy of this resolution be presented to
12 the Governor of the State of Illinois.