

RESOLUTION CALLING UPON THE ILLINOIS GENERAL ASSEMBLY TO PASS AND THE GOVERNOR TO SIGN INTO LAW COMPREHENSIVE, FAIR AND SUSTAINABLE FISCAL REFORM

WHEREAS, Illinois is the fifth most populous state in the nation, but ranks 42nd in total state and local tax rate as a percentage of income, and 45th in state spending on services; and

WHEREAS, despite being one of the lowest taxing and spending states in the nation, the State of Illinois suffers from a flawed fiscal system which for decades has created ongoing, structural deficits for state government; and

WHEREAS, because of its long-term structural fiscal inadequacies, Illinois has become over-reliant on local property taxes to fund services generally and education specifically; and

WHEREAS, the net results of Illinois' flawed fiscal system include

- shifting the primary obligation to fund schools to local property taxes, thereby creating educational disparities from community to community,
- a backlog of unpaid bills the state owes to hard working healthcare and human service providers that approaches \$6 billion, and
- the state frequently resorting to unsustainable, one-time revenue sources and debt to support ongoing public spending on essential services like education, healthcare and human services; and

WHEREAS, the recent recession worsened the state's fiscal plight, to the point that Illinois state government still faces a revenue shortfall of over \$12 billion for the 2011 fiscal year; and

WHEREAS, if the state were to rely solely on budget cuts to eliminate this deficit, it would result in an unconscionable further loss of essential public sector healthcare, education, public safety and environmental services at a time when they are in greatest demand, as well as a critical loss of private sector jobs, harming communities and families across Illinois; and

WHEREAS, cutting or eliminating community youth programs, education, healthcare, mental health and substance abuse produce short run cost savings, but result in increased crime and violence, domestic abuse, poor quality of life and simply defer expenditures to out-years in high cost law public safety services, acute care hospitalizations and high priced interventions.

WHEREAS, temporary, Band-Aid solutions will not be adequate to address the significant problems caused by the state's flawed fiscal system; and

WHEREAS, to resolve its fundamental, structural problems, Illinois must enact comprehensive fiscal reforms that make the state's tax system fairer, more responsive, stable and efficient; and

WHEREAS, any comprehensive state legislation should be designed to incorporate each of these five key principles of sound tax policy should at a minimum:

- Significantly reduce property taxes for middle and low income homeowners and senior citizens living on a fixed incomes, by doubling the state income tax credit taxpayers may claim for property taxes paid on their principal residence,
- Create tax fairness for low income, working families by increasing the value of the Illinois Earned Income Tax Credit and providing other, targeted, refundable tax credits to low and middle income families,
- Generate significant, recurring revenue to fund priorities such as education, health, public safety and human services, and save and create thousands of private sector jobs to counter the impact of the recession, through some combination of increasing the state's personal and corporate income tax rates and expanding the state's sales tax base to include more services,
- Generate significant new funding for Chicago Public Schools, and
- Help relieve the fiscal pressure on Chicago City government by generating hundreds of millions of dollars in new revenue for the City of Chicago through enhanced local government distributions and sales tax revenue.

WHEREAS, the City of Chicago is facing a significant budget deficit that exceeds hundreds of millions of dollars, and the passage of a fair, responsive, sustainable, and meaningful revenue enhancement would materially increase the City's Corporate Fund revenues and decrease its budget deficit; and

NOW, THEREFORE, BE IT RESOLVED that we, the Mayor and Members of the City Council of Chicago, hereby urge the Illinois General Assembly to pass and the Governor to sign into law a fair, responsive, sustainable and meaningful revenue enhancement that helps resolve the long-term fiscal problems that have plagued Illinois state government for decades;

BE IT FURTHER RESOLVED that we, the Mayor and the Members of the City Council of Chicago, hereby urge the Mayor's Office of Intergovernmental Affairs to pursue an active course of action to obtain passage of a fair, responsive, sustainable and meaningful revenue enhancement that ensures the continued flow of funds from the Local Government Distributive Fund and increases the foundational level for Chicago Public School students;

BE IT FURTHER RESOLVED that a suitable copy of this resolution be presented to Illinois Governor Patrick Quinn, Illinois House Speaker Michael Madigan, Illinois Senate President John Cullerton, Illinois House Minority Leader Tom Cross, Illinois Senate Minority Leader Christine Radogno, and members of the Chicago delegation to the Illinois General Assembly.

JOSEPH A. MOORE
Alderman, 49th Ward