



# GENERAL ASSEMBLY

STATE OF ILLINOIS

## JOINT LEGISLATIVE STATEMENT ON TAX POLICY DEBATE

Nearly a month has passed since the Governor detailed the moral imperative facing Illinois this way:

While the middle class pays more and huge corporations just walk, a child pays the price with increasingly crowded classrooms, the family in need of healthcare pays a price in healthcare they can't afford, the worker depending on a pension pays a price with a retirement that is no longer secure.

We agree. This is shameful and we applaud the Governor for his bold action to redress this historic injustice. We agree that this is the year to finally fix the most regressive tax system in the nation.

However, we believe the Governor's insistence on the Gross Receipts Tax as the exclusive solution to this problem is short-sighted as it undervalues the need for a good public policy debate with community leaders, business leaders, legislators, academics, economists, advocates and other interested parties. A primary example of the need for debate is ensuring that any solution not result in our entrepreneurial small businesses becoming overburdened with taxes they can not afford to pay. Small businesses are vital to our state's economy and job creation must be at the center of tax policy.

An earlier solution to this problem was debated last year. House Bill 750, originally championed by former Senator Miguel del Valle, address the overreliance on local property taxes to fund public education with a more balanced set of state income and sales taxes. Lifting the tax burden from the middle class to those with the highest incomes is long overdue and must be part of any solution. This approach seems more realistic and is far better than the system we have today. We also, however, have to find a way to make sure that our state's largest corporations pay their fair share of the tax burden so that we can invest in economic development, education, transportation, crime prevention and health care.

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*Latino Caucus opposes GRT + supports 750 late March 2007*

Finally, we urge all community leaders, business leaders, academics, economists, entrepreneurs and advocates to join with the General Assembly in a vigorous policy debate on tax fairness with a full set of public hearings, discussion and analysis that must result in a final budget submitted a full week before the scheduled date of adjournment of May 31.

Signed,

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Marta Canales 12th District  
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