

# NTUI NEWS RELEASE

## NATIONAL TAXPAYERS UNITED OF ILLINOIS

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### TAXPAYERS ASK STATE SENATE TO KILL HARMFUL INCOME TAX-HIKE BILL SB2288

CHICAGO—The president of Illinois' largest taxpayer organization urged taxpayers to call their state senators and ask that they vote "No" on **Senate Bill 2288**, sponsored by M. Maggie Crotty (D-19, Oak Forest), Michael Noland (D-22, Elgin) and Kimberly Lightford (D-4, Westchester), which last week was sent to the senate floor by the Senate Education Committee. "The tax increases in this bill are not only unnecessary, but would devastate the Illinois economy," said **Jim Tobin**, President of National Taxpayers United of Illinois (NTUI).

"The bill's 67 percent increase in the state personal income tax would drive many professionals and businessmen out of the state," said Tobin. "The state corporate income tax is not 4.8 percent as stated by politicians and the media, but actually 7.3 percent, which includes 2.5 percent 'replacement tax.' Raising the base rate from 4.8 percent to 8 percent would result in a total state corporate income tax of 10.5 percent, which certainly would drive many corporations to states with lower corporate income tax rates."

Illinois does not have a "revenue crisis" when total state revenue increased \$14 billion in the five years ending June 2007, more than twice the rate of inflation over the same time period. According to the State Comptroller's own web site, for the first seven months of fiscal year 2008, compared with the same seven month period in the previous year:

- Sales tax revenues increased from \$7.029 billion to \$7.237 billion, an increase of 2.96%
- Corporate income tax revenues increased from \$1.425 billion to \$1.486 billion, an increase of 4.44%.
- State personal income tax revenues increased from \$5.456 billion to \$5.884 billion, an increase of 7.84%.

"More than \$1 billion of these tax increases would be funneled to the lavish pensions and health care benefits of retired government employees, many of whom receive multi-million dollar pensions during their lifetime," said Tobin. "There is no need to keep feeding this money-eating pension monster. Rather, state pensions should be capped at \$50,000, and all new government employees hired should be required to fund their own retirements with 401 (k) pension plans."

"I urge Illinois taxpayers to call and write their state senators and ask that SB 2288 be sent to where it belongs: the trash bin."

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Founded in 1966, NTUI is the largest taxpayer organization in Illinois with over 10,000 members and affiliation with more than 200 local taxpayer organizations.

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