

TUA NEWS RELEASE

TAXPAYERS UNITED OF AMERICA

205 W. Randolph Street • Suite 1305 • Chicago, IL 60606 • Fax: (312) 427-5139
www.taxpayersunited.org • E-mail: info@taxpayersunited.org

FOR IMMEDIATE RELEASE
January 5, 2015

Contact: Jim Tobin (312) 427-5128
(773) 766-4947

Don't be Fooled by Pro-State Income Tax Propaganda

Chicago—Illinois' political bosses have a lot of bad news in store for taxpayers in 2016, no doubt, but the worst trick up their sleeves is the looming threat of confiscating vast sums of taxpayer dollars by implementing changes to the state's income taxes, according to Jared Labell, director of operations for **Taxpayers United of America (TUA)**.

“The recurring theme from many of the political elite, government unions, and phony government watchdog groups has been to balk at any discussion of reforming Illinois' unrestrained spending and unfunded liabilities, instead shifting the focus to raising more revenue by increasing the Illinois state personal and corporate income tax rates. This is not only a foolish policy, considering Illinois' recent history with state income tax hikes, but some politicians in Springfield have gone a step further and suggested imposing a new state income tax on retirement benefits as well,” said Labell.

Unfortunately, this is not simply a [partisan issue](#), but rather the most important struggle this year – between those who champion the taxpayers and those who ingratiate themselves with the state.

For instance, it's expected that most of the Democratic Caucus in the Illinois General Assembly will support this new state income tax on retirement benefits. But even Republicans can't be relied upon to reject this [destructive new income tax](#).

“**Rep. Barbara Wheeler (R-Crystal Lake)**, has voiced support for a new Illinois state income tax on retirement benefits. In remarks printed by the [Northwest Herald](#) within the last week, Wheeler stated that she is against taxing private sector pensions, but would support a new state income tax on government pensions,” said Labell.

Wheeler went on to say that, “Nobody likes the word ‘tax,’ but I do believe it's the kind of back-door pension reform the state desperately needs because so much of our budget goes into paying pension [sic].”

“Besides the questionable legality of such a proposal, the claim that a new income tax – whether it be on private sector or government pensions – will help solve the government pension fiasco in Illinois is extremely dubious. The 2011 67% income tax hike was a complete and total failure for Illinois in numerous ways. Not only did the state apply 90% of those newly generated taxpayer dollars to the government pensions, but its effect on the unfunded government pension liabilities, now totaling more than \$111 billion, was negligible, and an abject failure of policy. [More taxpayers left the state](#), the economy has [worsened](#), and Illinois' credit rating has plummeted.”

An *Associated Press* analysis of state records reported two weeks ago by [The Daily Herald](#) showed at least \$4 billion in cash in 531 separate accounts for special state funds. While raiding such funds has become commonplace, and perceived as a deceptive practice to perpetuate, Illinois taxpayers

TUA NEWS RELEASE

TAXPAYERS UNITED OF AMERICA

205 W. Randolph Street • Suite 1305 • Chicago, IL 60606 • Fax: (312) 427-5139
www.taxpayersunited.org • E-mail: info@taxpayersunited.org

FOR IMMEDIATE RELEASE
January 5, 2015

Contact: Jim Tobin (312) 427-5128
(773) 766-4947

would be much better off if those billions of taxpayers' dollars were put to use now, rather than squeezing taxpayers for untold billions more of their hard-earned dollars. **Taxpayer Education Foundation (TEF)**, the research organization arm of **TUA**, has reported on this story and proposed abolishing these special state funds for more than a decade.

Unlike Wheeler, Rep. David McSweeney (R-Barrington Hills), is opposed to a retirement income tax and filed [House Resolution 890](#) on December 2 to state his opposition, and has since been joined by 41 of his colleagues from both parties.

TUA will release a report concerning local government pensions tomorrow, Wednesday, January 6, 2016 – one of the leading factors driving the demand for increasing the state income tax and imposing a new income tax on retirement benefits. **TUA's** analysis will cover Lincolnshire, Deerfield, and Highland Park government pensions. That data will be available on our website, [taxpayersunited.org](#).

“Now is the ideal time to hold elected officials responsible for their records and the policies they support. Illinois taxpayers are encouraged to contact their members of the Illinois General Assembly and demand that they prevent the enactment of one of the worst tax policies possible for the state's long-term financial health: raising the Illinois state income tax and creating a new state income tax on retirement benefits,” Labell concluded.