

# FAIR ECONOMY ILLINOIS

## A 'PEOPLE AND PLANET FIRST' BUDGET FOR ILLINOIS

### REVENUE: Make Corporations and The Rich Pay Their Fair Share!

#### **CLOSE CORPORATE TAX LOOPHOLES ..... +\$2.5 Billion**

Under the current Illinois tax code, two-thirds of the largest corporations that do business in the state pay NOTHING in corporate income tax because of dozens of tax loopholes. Closing these loopholes would provide \$2.5 billion in needed additional funds for vital services in Illinois. Increasing the corporate tax rate and enacting a corporate tax disclosure law will also ensure that large corporations are paying their fair share.

#### **ENACT A PROGRESSIVE INCOME TAX..... +\$9 Billion**

In November of 2014, more than 63% of Illinois voters said yes to a ballot advisory referendum calling for a higher tax on those with incomes over \$1 million. An Illinois progressive income tax, with lower tax rates for lower incomes and higher tax rates for higher incomes, could bring billions of dollars in additional revenue to the state. Tax rates similar to Wisconsin's progressive income tax would generate \$9 billion in Illinois.

#### **ENACT A LASALLE STREET TAX ..... +\$12 Billion**

Illinois residents pay a sales tax to local and state governments for almost all of their purchases. Traders on the Chicago stock exchanges complete hundreds of trillions of dollars in trades each year without paying anything in sales taxes. The LaSalle Street Tax is a small tax on the trading of financial assets such as stocks, bonds, currencies and derivatives that could provide up to \$12 billion a year in new revenue for Illinois.

#### **TOTAL ADDITIONAL STATE REVENUE .....+\$23.5 Billion**

The investment of \$23.5 billion of additional revenue in the expenditures listed below will create hundreds of thousands of well-paying public jobs which will, in turn, generate even more tax revenue to support the on-going needs and development of the people of Illinois.

### EXPENDITURES: Support the Vital Needs of The People of Illinois!

#### **FULLY FUND PK - 12 EDUCATION ..... +\$5 Billion**

An additional \$5 billion each year for PK-12 Education would bring all Illinois school districts up to the current recommended spending level of \$9,000 per pupil and create up to 50,000 jobs. Ending reliance on local property taxes and requiring the state to provide a larger portion of education funding would further equalize funding among districts.

#### **PROVIDE UNIVERSAL HEALTHCARE..... +\$4.5 Billion**

An additional annual expenditure of \$4.5 billion for healthcare would provide Medicaid level coverage to all individuals currently uninsured in Illinois and create 50,000 jobs. A growing Illinois economy would then allow for transition to a high-quality "Medicare for All" plan, which would shift spending from the private to the public sector at no additional cost to Illinois families.

#### **CONVERT TO ALL GREEN ENERGY ..... +\$3.5 Billion**

Dependence on fossil fuels is devastating our planet, our communities and the health of our people. An annual investment of \$3.5 billion would allow Illinois to convert to non-carbon, sustainable energy sources over a 30 year period, provide funding for the weatherization of homes and businesses, and create an initial 30,000 new jobs.

#### **FULLY FUND HUMAN SERVICES ..... +\$3 Billion**

State budget cuts are often intentionally targeted at the most vulnerable and powerless in our communities – children, seniors, those with disabilities, those experiencing violence and those living in poverty. Public services that provide vital support for these individuals and communities must be restored and expanded with an additional \$3 billion per year.

#### **FUND INFRASTRUCTURE NEEDS..... +\$3 Billion**

Increasing infrastructure spending by \$3 billion per year would fund a 30 year plan to bring all Illinois infrastructure up to engineering standards, prioritizing those areas that impact the health and safety of Illinois residents – water and sewer, public transportation, roads and bridges, school and community facilities. Hundreds of thousands of jobs would be created over the course of the 30 year plan.

#### **PROVIDE FREE COLLEGE TUITION..... +\$2.5 Billion**

With \$2.5 billion additional funding for Illinois higher education, all current community college and public university undergraduate students could attend tuition-free. In addition, this level of funding would provide the opportunity for tens of thousands more students who have been denied access to college because of high costs. Approximately 20,000 jobs would be created.

#### **INCREASE PENSION CONTRIBUTIONS ..... +\$2 Billion**

Increased contributions and re-amortization of pension obligations will help ensure that past and present Illinois public workers receive what they have been promised, and that the state can continue to provide quality retirement security for its future employees.

#### **TOTAL ADDITIONAL STATE EXPENDITURES .....+\$23.5 Billion**

These expenditures will create hundreds of thousands of public jobs, which should be intentionally targeted towards low-income communities and communities of color, reinvesting billions of dollars in the communities most impacted by structural racism and economic injustice.

---

**FAIR ECONOMY ILLINOIS is a statewide alliance that organizes urban, suburban and rural residents around issues that affect the common good. The alliance comprises four organizations: IIRON/The People's Lobby, Illinois People's Action (IPA), Jane Addams Senior Caucus, and Organizing Neighborhoods for Equality: Northside (ONE Northside). For more information, contact Don Floyd at [dfloyd@iiron.org](mailto:dfloyd@iiron.org).**

Sources for preparation of the People and Planet First Budget include: *We Don't Need Another Casino, We Need to Tax the One We Have!*, 2015, Chicago Political Economy Group; *Covering the Illinois Uninsured Analysis*, 2016, National Nurses United; *100% Wind, Water, and Sunlight All-Sector Energy Plans for the 50 United States*, 2015, Stanford University; *State of Illinois Infrastructure Affordability Report*, September 2015, Illinois Institute of Government and Public Affairs; *Illinois Education Funding Recommendations*, January 2015, Illinois Education Funding Advisory Board; *Calculating the Additional Costs of a Free Tuition Program*, March 2016, Illinois Student Assistance Commission; *Recommendations On FY'12 Human Services Budget*, April 2011, Illinois Human Services Commission; *2013-14 Annual Report*, June 2014, Illinois Human Services Commission; *A Way Forward: Framework Recommendations to Address Illinois' Fiscal Dilemma*, December 2012, We Are One Illinois; *Various Reports*, Center for Tax and Budget Accountability; *Various Reports*, Illinois Department of Revenue; *Various Reports*, Governors Office of Management and Budget.

---