



# Jil's Statehouse Report

News from Springfield from State Rep. Jil Tracy  
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## Gov Quinn's State Budgets Hurts Middle Class Families

SPRINGFIELD - Governor Pat Quinn delivered his first annual budget address to a joint session of the General Assembly today, calling for a massive income tax hike along with various other tax and fee increases to close a historic budget shortfall. State Rep. Jil Tracy (R-Mt. Sterling) expressed concern over how the Governor's budget plan relies heavily on middle class working families to solve the state's budget woes after more than six years of mismanagement by disgraced former Governor Rod Blagojevich and legislative Democrats.

"With this proposed budget a single taxpayer making as little as \$20,000 would see a tax increase," Rep. Tracy said. "The Governor is calling for \$7,000,000,000 in tax increases, corporate loophole closings and cigarette tax increases," Rep Tracy said. "I understand that people always like to hear that corporate loopholes are being closed. However, the truth is that what may be considered a loophole, may actually be a business incentive. The Governor's proposal may increase a business' overall tax burden by 10%. This type of increase will be taken into account by any business looking to locate in Illinois or any business thinking about moving out of Illinois. Plus, corporations can and will pass on those new expenses to consumers. Business may not contribute as much to local charities and civic organizations, and may even have to lay people off just to maintain their profit margins," Rep. Tracy said.

The key components of the Governor's budget plan include to raising the \$78 license-plate sticker fee to \$98, increasing the cigarette tax up by an additional \$1-a-pack over 2 years, raising the income tax by 50% (from 3 to 4.5%), boosting the corporate tax rate from 4.8% to 7.2%, plus a 2.5% standard replacement tax. Meanwhile other Democrat leaders in the General Assembly are also proposing an increase in the state sales tax on motor fuel. The budget also proposes skipping the existing state pension fund liability which will compound the State's debt and unfunded pension liability.

The state budget is currently \$4.2 billion in debt and facing a shortfall of nearly \$11.5 billion by the summer of 2010.

"I understand that Governor Quinn had a short time span to develop a plan." Tracy added. "However, I'm disappointed in the plan. I think the state should live within its means just like the people of the 93rd District do everyday," Tracy said. "Instead, the proposed budget wants to live within its citizens' means or pockets. This budget is far too similar to the ex-Governor Blagovich's past budgets. The overall decrease in spending is nominal. Certain groups like the middle class and state workers will be greatly impacted. We've been hoping for a sound plan and instead it looks like we are back to square one. Illinois citizens deserve more thoughtful overall real budget planning so it appears we have much more work to do on the budget and analyzing how to make spending cuts.