



House GOP: Graduated Tax Threat to IL Jobs, Families

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Springfield, IL – House Republican Leader Jim Durkin (R-Western Springs) and members of the Illinois House Republican caucus today announced their unanimous opposition to the graduated income tax proposal introduced by legislative Democrats. The plan, currently filed as [HJRCA 33](#), would replace the state’s current flat tax with a graduated income tax system, with rates to be determined by the General Assembly.

“There is a movement in Springfield by the majority party to move Illinois from a flat income tax to a graduated tax,” said Durkin. “The same party responsible for years of overspending, over taxing and a mountain of debt wants to move to a graduated tax for one reason and one reason only – to raise taxes and spend more money.”

Democrats argue that under their so-called “progressive” tax system, only the rich will pay more. However, the House Democrats’ plan includes seven tax brackets and a top rate of 9 percent, raising taxes on all income over \$18,000. Under a graduated tax system, as taxpayers’ incomes rise with inflation, lower and middle income families are subjected to higher tax rates – commonly referred to as “bracket creep.”

“Illinois is already a high-tax state. Raising taxes on middle-class families will further damage our state’s economy. History has shown that the 67% income tax hike has not

balanced Illinois' checkbook nor will it bring in more long-term revenue. A graduated tax certainly won't solve the spending problem in state government. It would do more harm than good for Illinois," said State Rep. Dwight Kay (R-Glen Carbon).

"There is no question, a graduated income tax would cost Illinois jobs and hurt families who are working to make ends meet," said State Rep. David Leitch (R-Peoria). "A recent study estimated a graduated tax system in Illinois could result in the loss of 88,000 jobs; this at a time when Illinois' unemployment rate is consistently higher than the national average – and much higher than most neighboring states with whom we're competing for jobs and growth."

High taxes are already causing employers and families to leave Illinois. According to the 2013 United Van Lines Migration Study, Illinois has the second-highest record of out-migration of any state. Nearly 278,000 Illinoisans left the state in 2012.

The non-partisan Tax Foundation's analysis of the proposed graduated income tax found that:

1. Illinois' "State Business Tax Climate Index" score could fall to 44th from its current 31st ranking if the proposed progressive income tax passes;
2. Illinois already fell from 17th over the last few years with several rounds of tax increases, which did not succeed in alleviating Illinois' financial situation or improve the economy; and
3. Higher and more progressive income taxes generally contribute to worsening economic performance.

"A graduated tax system punishes success and discourages small businesses from creating jobs," said State Rep. Patti Bellock (R-Hinsdale). "Seventy-five percent of small businesses pay taxes at the individual, not the corporate, tax rate. They create the majority of new jobs. Illinois is already ranked among the worst states for job creation. We can't afford to lose more jobs."

Approval of a measure to amend the Illinois Constitution in favor of a graduated tax would require a three-fifths majority vote of the Illinois House and Senate. In the House, where Democrats currently hold 71 seats, a three-fifths majority equals a minimum of 71 votes. All 47 House Republicans joined Leader Durkin today in opposition to a graduated tax.

"The General Assembly needs to spend more time working to find ways to make Illinois an attractive place for people and businesses to stay and prosper, rather than finding new ways to over tax the people and businesses that are currently here," said State Rep. Charlie Meier (R-Okawville). A graduated tax will give another reason to folks that are

already looking to leave here for greener pastures.”

“A graduated tax system would give a blank check to the Democrat majority in Springfield to set the rates,” Durkin added. “Under their plan, as taxpayers’ incomes rise with inflation, working families are forced into higher tax brackets, eating away at hard-earned savings and adding financial strain to families struggling to pay their mortgage, pay for a child’s education, or care for an aging parent. Plain and simple, a graduated tax would threaten job creation, weaken our economy, and hurt Illinois families.”