



STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR
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PAT QUINN
LIEUTENANT GOVERNOR

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Dear Editor,

A long time ago, Benjamin Franklin said that only two things in this world are inevitable – death and taxes. But Ben Franklin did not say it's inevitable that we should be taxed to death.

Unfortunately, for the past four decades, the Illinois income tax has been taking a bigger and bigger bite out of the paychecks of working families. Because Illinois governors have repeatedly failed to propose fundamental reforms of this broken tax system, our state has one of the 10 most unfair tax codes in the country.

It's time for Illinois to reform its "soak the middle class" income tax code. So when Gov. Rod R. Blagojevich unveils his budget proposal this Wednesday, I'm urging him to adopt my Illinois Tax Reform and Relief Initiative, which would expand the value of the personal exemption against the Illinois state income tax and improve the value of the state Earned Income Tax Credit (EITC).

In 1969, when the Illinois income tax was enacted, the personal exemption – the basic exemption granted to every taxpayer and each dependent – was set at \$1,000, or \$4,000 for a family of four. If the exemption had been indexed to inflation over the years, it would be worth \$5,544 today!

Instead, the personal exemption has risen only to \$2,000. That failure to keep pace with inflation has inflicted a "stealth tax increase" of \$424 on an Illinois family of four. To fix that, our state should improve the value of the personal exemption from \$2,000 to at least \$3,000 in the coming year. Further improvements should be phased in over the next few years, until the Illinois personal exemption for taxpayers catches up with the cost of living.

The Illinois Tax Reform and Relief Initiative also would include a substantial expansion of Illinois EITC. Our state credit is based on the federal EITC, a refundable credit of up to \$4,400 granted to working families with incomes of less than \$37,263. Although most states offer an EITC of 15% to 30% of the federal amount, Illinois' EITC is set at only 5% of the federal credit, for a maximum of \$220 – the lowest in the nation.

The Earned Income Tax Credit is the best pro-job, pro-family, anti-poverty tax relief plan ever devised. By phasing in a more generous EITC of 20% of the federal credit, up to \$880, we could bring Illinois up to par with other states and help working parents lift themselves and their children out of poverty.

There's something fundamentally wrong when Illinois state government hands out more tax breaks to those raising thoroughbred horses than to hard-working families raising children. So I hope, when Governor Blagojevich delivers his budget address this week, he supports the Illinois Tax Reform and Relief Initiative to bring some long-overdue economic justice to the hard-working taxpayers of Illinois.

Sincerely,

Pat Quinn
Lt. Governor